



Daily Report

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Daily Report

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23 April 1992

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General

Bush, European Heads Fail To End Trade Stalemate

OW2304051792 Beijing XINHUA in English
0411 GMT 23 Apr 92

[Text] Washington, April 22 (XINHUA)—United States President George Bush exchanged a few "new ideas" with two top European leaders here today, but failed to make headway on the thorny issue of farming subsidies.

Bush met with Portuguese Prime Minister Anibal Cavaco Silva and European Commission President Jacques Delors for two hours.

"We had an extensive exchange of views on the outstanding issues, and some new ideas on how to conclude this Uruguay Round were advanced by both sides," Bush said.

"We agreed to continue this process. We had some serious discussions and the process will go on."

The Uruguay Round of world trade talks under the General Agreement on Tariffs and Trade (GATT) has been blocked by the European Community's refusal to cut agricultural subsidies, a key U.S. demand.

Speaking after the meeting, U.S. Assistant Secretary of State Thomas Niles [title and name as received] said the discussions had focused exclusively on agriculture.

"I think there's a general recognition on both sides that if we are able to reach an agreement on agriculture, that the other outstanding issues on the Uruguay Round negotiations...would very likely fall into place fairly quickly," Niles said.

But neither side had embraced the other's proposals, he said, declining to give details.

"There was agreement at the table that some interesting ideas had been put forward that deserved further consideration," he said.

Silva, who currently holds the presidency of the European Community, said EC states "are determined to bring the Uruguay Round to a positive conclusion."

Bush predicted Tuesday that the trade talks would be tough and gave a warning to his European partners.

The United States will not bear "the entire burden of compromise when it comes to hammering out a successful conclusion to this GATT round," he said.

Meanwhile, Bush said he was committed to the success of the Uruguay Round because it would "pump five trillion dollars into the global economy" over the next decade.

The three leaders also discussed the situation in Yugoslavia, Western assistance to the former Soviet Union and the Middle East peace process.

Foreign Ministry Holds Weekly News Briefing

Mongolian Prime Minister To Visit

OW2304075192 Beijing XINHUA Domestic Service
in Chinese 0651 GMT 23 Apr 92

[Text] Beijing, 23 April (XINHUA)—A spokesman for the Ministry of Foreign Affairs announced here today that, at Premier Li Peng's invitation, Prime Minister Dashiyn Byambasuren of Mongolia will pay an official visit to China from 7 through 11 May.

UN General Assembly Chairman To Visit

OW2304075792 Beijing XINHUA Domestic Service
in Chinese 0652 GMT 23 Apr 92

[Text] Beijing, 23 April (XINHUA)—A spokesman for the Ministry of Foreign Affairs announced here today that, at the invitation of the Chinese Ministry of Foreign Affairs, Shamir al-Shihabi, chairman of the 46th session of the United Nations General Assembly, will pay an official visit to China from 27 April through 2 May.

Wu Xueqian Speaks at Environmental Council

OW2104104492 Beijing XINHUA in English
0959 GMT 21 Apr 92

[Text] Beijing, April 21 (XINHUA)—The China Council for International Cooperation on Environment and Development (CCICED) was set up here today.

The council, with financial support from the Canadian International Development Agency (CIDA), is to put forward suggestions on environment and development to the Chinese Government which is to use the proposals as references in decision making.

Meanwhile, the council is also responsible for attracting funds and technological assistance from foreign countries in order to realize the coordinated development of the Chinese environment and economy, sources said.

Established just weeks before the opening of the United Nations Conference on Environment and Development [UNCED], popularly called the "Earth Summit," the council is regarded as the latest symbol of the Chinese Government's efforts in expanding international cooperation in the environment and development.

Informed sources told XINHUA here today that China needs to cooperate with foreign countries in the fields of new energy exploration, prevention of soil erosion, research on substitutes for chloro-fluorocarbons (CFCs), and the protection of biodiversity.

Chinese Vice-Premier Wu Xueqian, speaking at the opening ceremony here today, said that China, in its development process in the past years, has got a better understanding on environmental issues, that is, in developing economy, natural resources must be properly tapped and the environment for human beings must be protected.

Wu stressed that doing a good job in China's environmental protection is in fact a contribution to the global environmental protection drive.

The council, whose establishment was ratified by the State Council, means that China wishes to open wider to the outside world in the field, Wu said, adding that the experiences and wisdom of all council members will be conducive to solving China's environmental problems.

Federico Mayor, director-general of the United Nations Educational, Scientific and Cultural Organization (UNESCO), said that taking place just weeks before the UNCED in Rio de Janeiro, this meeting is "particularly timely and auspicious."

The council members include Dr. Marcel Masse, CIDA's president, Kazuo Aichi, former Japanese environment minister, Barber Conable, former president of the World Bank, and Martin Leese, former assistant secretary general of the U.N., and leading personnel from the World-wide Fund for Nature (WWF) and other non-governmental organizations, as well as a number of Chinese ministers and specialists.

Sources said the council will be divided into five special groups focusing respectively on energy strategy; monitoring, information collecting and pollution control; research and training; protection of biodiversity; environment and price policy.

On Thursday, when the council concludes its meeting, a formal proposal on China's environment and development will be handed to Chinese leaders.

China decided to set up this international council following the International Conference on Coordinated Development of the Chinese Economy and Environment in Beijing in October 1990.

Beijing To Host Asia-Pacific Trade Fair

*OW2304085392 Beijing XINHUA in English
0832 GMT 23 Apr 92*

[Text] Beijing, April 23 (XINHUA)—The 48th Session of the Economic and Social Commission for Asia and the Pacific (ESCAP) of the United Nations decided in a resolution here today that the Fifth Asia-Pacific International Trade Fair (ASPAT) will be held in Beijing in 1994.

This will be the second time that Beijing hosts the ASPAT which aims to strengthen regional economic cooperation through the promotion of intraregional and international trade.

Beijing hosted the Fourth ASPAT in 1985. The first three ASPATS were held in Bangkok in 1966, Tehran in 1969 and New Delhi in 1972.

The next fair is expected to provide an opportunity to project the changes in the pattern of trade and review the technological developments and industrial restructuring in the region since the last fair, according to the resolution.

The resolution calls on all governments of members and associate members of the commission and other members of the United Nations to give full support to the Fifth ASPAT, and to encourage and assist their industrial and commercial organizations to participate in the fair.

UN ESCAP Concludes Session in Beijing

Adopts Cooperation Declaration

*OW2304090892 Beijing XINHUA in English
0857 GMT 23 Apr 92*

[Text] Beijing, April 23 (XINHUA)—The 48th Session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) adopted the Beijing Declaration on regional cooperation at its closing ceremony here today. Its excerpts follow:

The ESCAP,

Noting the rapid economic and political changes taking place in the world, which could provide opportunities for and constitute challenges to economic growth and development, globally as well as in the ESCAP region;

Stressing importance of a successful conclusion to the Uruguay Round of multilateral trade negotiations, and the need for an open world trading system to underpin regional efforts;

Noting with satisfaction the development of a resilient and buoyant economy in the ESCAP region and growing interlinkages among its members and associate members in the context of regional stability and improved political relations;

Recognizing the need to utilize existing subregional organizations in the region fully, with a view to fostering appropriate cooperation and interaction between them to enhance economic and social progress in the region;

Noting the continually remarkable growth and trade expansion of the ESCAP region as a whole, but recognizing with concern that such performance has not been shared by all the economies of the region, particularly the least developed, land-locked and Pacific island economies;

Realizing that these developments have emphasized the common interest of the ESCAP members and associate members and strengthened their political will to foster closer economic ties, which in turn will contribute to regional development and prosperity;

Convinced of the need for and prospects of sustained and enhanced regional economic cooperation;

Recalling, inter alia, the declaration made at the seventh session of the commission held at Lahore in 1951, the Tokyo Declaration made at the thirteenth session in 1967, the Seoul Declaration made at the forty-seventh session in 1991, and other relevant instruments of the

commission which provide policy direction for strengthening regional economic cooperation in Asia and the Pacific;

1. Resolves to enhance economic cooperation in the ESCAP region.

2. Resolves also to impart new impetus to economic cooperation in the region, based on the following guiding principles:

(a) to ensure the sustained growth and development of the region for the good of all its people, thus contributing to the growth and development of the world economy;

(b) to promote economic cooperation on the basis of equality and mutual benefit;

(c) to reaffirm the commitment of ESCAP members and associate members to an open world trading system, as well as to the strengthening of the multilateral trading system in line with the articles of the general agreement on tariffs and trade;

(d) to take fully into account the diversity of the region, particularly in the stages of economic development and socio-political systems, and to give due consideration to the special needs of developing members and associate members;

(e) to follow the principles of equality and consensus-building in consultations and dialogue;

3. Urges strongly that promotion of intraregional trade and investment, and greater cooperation in science and technology and in the development of infrastructure, should receive high priority in economic cooperation in Asia and the Pacific and in the commission's deliberations;

4. Welcomes the setting up of the Thematic Committee on regional economic cooperation in the context of the revision of the intergovernmental subsidiary structure of the commission;

5. Directs the committee on regional economic cooperation to begin work expeditiously by examining trends and developments in the region, and to focus initially on one or two of the above priorities with a view to developing concrete measures for enhancing regional cooperation.

6. Calls upon all members to give full and active support to the principles and objectives set forth in this document, which shall be known as the Beijing Declaration on regional cooperation;

7. Requests the executive secretary to take the present declaration into full account in formulating the program of work and priorities of the commission and report to the commission on an annual basis, beginning with the forty-ninth session of the commission.

Plans Regional Population Conference

OW2304085092 Beijing XINHUA in English
0814 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—A regional population conference will be held in Bali, Indonesia this August, discussing some key issues concerning the 2.5 billion population in the Asia-Pacific region.

A decision concerning the Fourth Population Conference for the Asia-Pacific region in 1992 by the 48th Session of the Economic and Social Commission for Asia and the Pacific (ESCAP), has listed ESCAP's key role in population issues and other areas in the region's economic and social development.

ESCAP called on its member countries to conduct necessary review and appraisal of population trends and policies in their countries and areas so as to present reports to the upcoming population conference, at the ministerial level, in order to set the goals, strategies and directions for a sustained development in the 21st century.

Proclaims 'Decade of Disabled Persons'

OW2304104492 Beijing XINHUA in English
0917 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—The 48th Session of the Economic and Social Commission for Asia and the Pacific (ESCAP) adopted a resolution here today, proclaiming the Asian and Pacific Decade of Disabled Persons (1993-2002).

The resolution urges all member and associate member governments to review the situation of disabled persons in their countries and areas, with a view to developing measures that enhance the equality and full participation of disabled persons.

The resolution, which was adopted at the closing ceremony of the 10-day ESCAP session, was sponsored by 33 countries, including Australia, Bangladesh, India, New Zealand and China.

According to experts, 250 million out of the 2.5 billion population in Asia and the Pacific are people with disabilities. As the risk of disability increases with age, along with the expected rapid ageing of the societies in the region, the number of disabled persons will increase substantially.

The resolution urges the member and associate member governments to develop measures including:

—formulation and implementation of national policies and programs to promote the participation of persons with disabilities in economic and social development;

—establishment and strengthening of national coordinating committees on disability matters, with emphasis on, inter alia, the adequate and effective representation of disabled persons and their organizations, and their roles therein;

- provision of assistance, in collaboration with international development agencies and non-governmental organizations, in enhancing community-based support services for disabled persons and the extension of services to their families;

- promotion of special efforts to foster positive attitudes towards children and adults with disabilities, and the undertaking of measures to improve their access to rehabilitation, education, employment, cultural and sports activities and the physical environment;

The resolution urges the governments concerned to formulate and implement technical guidelines and legislation to promote disabled persons' access to buildings, public facilities, transport and communications systems, information, education and training, and technical aids.

Australia has promised to donate 20,000 U.S. dollars to establish a fund for the activities of the decade and China has also promised to make donations for it.

XINHUA on ESCAP Success

OW2204160792 Beijing XINHUA in English
1530 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—The successful conclusion of the 48th session of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP) marks a giant step forward in expanding cooperation for common prosperity and development of the Asia-Pacific region.

The ongoing ESCAP session, the largest meeting the United Nations system has ever held in China, helped strengthen the unity, friendship and mutual understanding of the people in the region, and contributed to the peace and development of not only the region, but the world as well.

Since the ESCAP was founded in Shanghai nearly a half century ago, the Asia-Pacific region has recorded rapid progress in becoming the region with the world's most rapid economic growth, an accelerating growth rate which follows long years of turmoil and conflict.

As U.N. Secretary-General Butrus Butrus-Ghali said in his opening statement, "this session is highly significant since it will carry forward a fine tradition which will forge ahead into the future."

Delegates to the session held discussions and consultations on a wide range of topics related to regional cooperation and social and economic development. The discussions took place in the traditional ESCAP spirit of "partnership, understanding and cooperation."

The delegates reached agreement on the prospects, priorities and policy options for regional economic cooperation—the theme of the session.

While rapid political and economic changes in the world have provided both challenges and opportunities for the Asia-Pacific region, resolutions of regional conflicts and

improved political relations have paved the way for regional cooperation. And, according to the delegates, the diversity, inter-dependence and complementary aspects of the region constitute a vast potential for deepening cooperation.

Citing this fact, the delegates pointed to an urgent need and the broad prospects for strengthened and sustained regional economic cooperation. They said that since economic growth and the flow of capital, trade and technology in the region are uneven, regional economic cooperation is the way that will bring common prosperity and development to all people in the region, including those Pacific island countries and land-locked nations.

For that reason, the delegates expressed hope that priority will be given to cooperation in regional trade, investment, science and technology and infrastructure. According to them, such cooperation will pump fresh vitality into regional cooperation in line with the principles of equality, mutual benefit, consultations and mutual openness, which in their view will prompt growth in the world economy.

As an expression of a common desire, the Chinese delegation, joined with other delegations to draft the Beijing declaration on enhancing regional economic cooperation, and establishing guidelines to ensure sustained regional economic cooperation. The declaration is significant as a means of summarizing and consolidating the results of the session, and for advancing regional cooperation.

Since most of the Asian-Pacific countries are developing countries, the ESCAP session provided them with forum to make their voices heard.

A number of delegates noted that various unstable factors, including regionalism and protectionism, have cast a shadow on the prospects for world economic growth, and have placed developing countries in an increasingly unfavorable predicament.

In light of this, the delegates called for the establishment of a fair, reasonable, equal and mutually-beneficial world order, and for a reduction in the gap between the North and South. According to the delegates, such a world order would promote common prosperity and development. They also expressed hope that the United Nations will play an even greater role in this regard.

A number of delegates also stressed the importance of an open multilateral trading system to underpin regional cooperation. They urged developed countries to overcome the trend towards protectionism which harms developing countries, and expressed hope that the Uruguay round of multilateral trade talks would come to a successful conclusion at an early date.

In addition, some delegates pointed out that the growing disparity between the north and south will pose an even

greater challenge during the 21st century, and they called for global action to deal with the problem of underdevelopment.

The ESCAP session not only focused on issues concerning economic development, but also on issues related to social development in the region.

A number of resolutions scheduled to be passed on the final day, including designating a decade of the disabled in the Asian-Pacific region and development strategy for the Asian-Pacific region for the year 2000 and beyond, will mark a good beginning for solving current problems.

In addition, the resolution on reform of the subsidiary inter-governmental organizations will provide new opportunities for the increased work efficiency of the ESCAP, and for better member participation in the organization.

The fact that the ESCAP admitted seven new members and promoted two associate members to full memberships during this session displays the continued growth of the organization.

As the world marches towards a new century, high hopes are being placed on the Asia-Pacific region—a region which accounts for over one-half of the world population. It is expected that this most recent successful ESCAP session will have a profound impact on the future development of the Asian-Pacific region.

Cooperation With World Bank To Strengthen

OW2204151192 Beijing XINHUA in English
1439 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—Chen Junshuo, director of the Ministry of Finance's World Bank Department, said here today that China will further strengthen bilateral cooperation with the World Bank.

Chen expressed hope that China will receive a "fair and reasonable share" of the next round of soft loans granted by the International Development Association (IDA).

The IDA, which was established in 1960, has been the major channel used by the World Bank to grant preferential loans to the world's developing countries.

Since its establishment, IDA has allocated soft loans every three years. Loan funds raised in developed countries are provided to developing countries in accordance with actual conditions, as part of an effort to help these countries reduce poverty.

China became a member of the IDA in 1980, and loans China received during the current loan period are due for renewal in 1993.

According to Chen, China's policies of reform and opening to the outside world over the past decade have produced remarkable achievements, and the living standards of the people have improved significantly.

However, he said that poverty still exists in some inland provinces, especially provinces in the southwest and northwest, because of China's large population and weak economic base.

A recent survey conducted by the World Bank revealed that China has as many as 90 million people who still live in dire poverty.

Chen said the Chinese Government has put forth great effort in recent decades to eliminate poverty. However, the country still needs the support of international financial organizations to reach its goal, said Chen.

He expressed hope that IDA will grant China a "fair and reasonable share" of funding during the tenth loan renewal period, by acting in accordance with the principles stipulated in its charter, and taking economic development as the criterion without interference from political factors.

Chen said that China has drafted plans for the use of any loan funds received during the next three-year period. He noted that according to the plan the loans will be used to fund projects related to agriculture, water conservancy, public health and education, and in promoting various reforms throughout the country. The projects will include a program to improve red soil areas in Jiangxi and Fujian Provinces; harnessing the loess plateau in an effort to reduce poverty there; eliminating air pollution in Liaoning Province and Shanghai city; and reforming state enterprises and the country's housing system.

The director stressed that China's plans for using the IDA loans is consistent with the organization's policies in terms of granting loans to be used for eliminating poverty, environmental protection and enhancing reform.

Chen added that in the past decade the Chinese Government has paid great attention to the management and use of IDA credits. He said that the World Bank and donor countries have recognized China as one of the six countries which have made the best use of IDA credits.

Statistics show that from 1981 to 1991 China used a total of 3.1 billion U.S. dollars in IDA credits. The loans have played a major role in the country's economic development and effort to eliminate poverty.

Northeast Asia

Yang Shangkun Meets Japanese Industrialists

OW2304080492 Beijing XINHUA in English
0748 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—Chinese President Yang Shangkun said here today that China welcomes more Japanese entrepreneurs to invest in the country and their active cooperation in its economic development.

Yang made the remark at a meeting with a delegation from the Japan-Asia Exchange Association led by Yotaro Iida, vice-president of the Japanese Federation of Economic Groups, at the Great Hall of the People here today.

He said the delegation's current visit to China is of special significance. 1992 marks the 20th anniversary of the normalization of relations between China and Japan, which is worth celebrating by the two peoples, he said.

Yang said thanks to the frequent contacts between the industrialists and businessmen of the two countries over the past 20 years, a very good relationship between the two countries in economic fields has been established.

China is a developing country while Japan is an economically developed country, Yang said. So they can supplement each other economically, he said.

Yang expressed the hope that the Japanese industrialists will give active cooperation in boosting China's economy.

In the past, Japanese entrepreneurs offered much help to China's economic construction, he said, adding, "With China's wider opening to the outside world and the improvement of its investment environment, we welcome more Japanese entrepreneurs to invest in the country."

Yang stressed that faster economic growth in China is not only the need by itself, but also the hope of the people in Asia and the rest of the world.

The further development of China's economy and Sino-Japanese friendly cooperative relations will make greater contributions to peace, stability and development in Asia and the rest of the world, he added.

Iida said, "It is our hope that both Japan and China will develop in a common way. All the group members are willing to work hard to further promote Japan-China friendship and cooperation."

Southeast Asia & Pacific

Li Tieying Meets Vietnamese Cultural Delegation

OW2304101792 Beijing XINHUA in English
1009 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—Li Tieying, Chinese state councillor and minister in charge of the State Education Commission, met a cultural delegation from Vietnam at the Great Hall of the People here this afternoon.

The delegation is headed by Tran Hoan, minister of culture, information and sports.

Chinese Vice-Minister of Culture Liu Deyou attended the meeting.

The Vietnamese visitors arrived here Tuesday as guests of the Ministry of Culture. They will also visit Shanghai, Guangzhou and Nanning.

NPC Official Meets Indonesian Visitor

OW2304072392 Beijing XINHUA in English
0623 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—Vice-Chairman Lei Jieqiong of the Standing Committee of the National People's Congress met with Wiyogo Atmodarminto [name as received], governor of Extraordinary Special District Jakarta-raja of Indonesia, here today.

Madame Lei noted that since the restoration of diplomatic relations between China and Indonesia, the Sino-Indonesian ties have been developing smoothly, with trade and economic cooperation in particular growing fast.

She said that China and Indonesia, two big Asian countries, should get along in peace and friendship and strengthen cooperation. "This will have positive impact on the situation in Asia and the world at large," she told the visitor.

Atmodarminto said that his current visit here marks the first step in opening up ties between Jakarta and Beijing. He hoped for more economic cooperation and personnel exchange between the two cities.

New Zealand's McKinnon To Start Asia Trip

Plans Economic, Trade Talks

OW2104043692 Beijing XINHUA in English
0405 GMT 21 Apr 92

[Text] Wellington, April 21 (XINHUA)—New Zealand Deputy Prime Minister Don McKinnon is leaving here tomorrow for Hong Kong to start the first leg of his 12-day Asia trip.

The visit to Hong Kong "demonstrated New Zealand's support for Hong Kong's future political and economic stability," McKinnon said in an interview with XINHUA today.

McKinnon defined Hong Kong as a "discerning market" where New Zealand's foodstuffs already had an established niche.

During the two-day stay in Hong Kong, McKinnon is expected to meet with Governor Lord Wilson and other senior officials and members of Hong Kong's Executive and Legislative councils.

McKinnon, who is also NZ's minister of foreign affairs and minister of external relations and trade, would also deliver a keynote address to the New Zealand/Hong Kong Business Association.

The Wellington government has attached much importance to developing the relations between New Zealand

and Hong Kong, trade relations in particular. The government is planning to further its trade drive "with this gateway to the (Asian) region," McKinnon said.

Last year, NZ's trade with Hong Kong was up 16 percent on the previous year. To crown it, Hong Kong has become one of New Zealand's major sources of foreign investment and important source of business immigration.

Following the visit to Hong Kong and China, which he said would be the main focus of the whole trip, McKinnon would make himself the first foreign affairs minister to Thailand [passage as received] after the establishment of the new government there.

The two-way trade between the two countries would be the major topic in McKinnon's talks with the new government of Thailand while some international issues of mutual concern would also be touched, including the Association of Southeast Asian Nations (ASEAN) and the Asia Pacific Economic Cooperation (APEC).

McKinnon also expects to visit the Cambodian refugee camps on the Thai-Cambodian border during his stay in Thailand. New Zealand has provided some humanitarian assistance to those refugees.

Calls for Expanding Ties

OW2104042992 Beijing XINHUA in English
0341 GMT 21 Apr 92

[Text] Wellington, April 21 (XINHUA)—New Zealand [NZ] hopes to expand its relations with China in all the fields in the interests of both sides.

This was expressed by Deputy Prime Minister Don McKinnon in an exclusive interview with XINHUA prior to his leaving for an Asia visit today.

His forthcoming visit to China will be the main focus of his 12-day Asia trip, said the deputy prime minister.

The visit marked NZ's first most senior official delegation to China since 1987 when former Prime Minister David Lange had paid an official visit to China. The visit also marked the 20th anniversary of the diplomatic relations between China and New Zealand.

McKinnon said he hoped his trip to China would be of benefit to the "continuing and expanding relationships between the two countries in political, commercial, cultural and all other areas."

The new phase of relations already in shape between the two countries would be continuing and prospering, he said.

"There is tremendous untapped potential to expand trade and economic links in Asia, and New Zealand's future prosperity is inextricably linked to the growth of economies of the Asian region," the minister said.

The minister also disclosed that the promotion of China-New Zealand trade will be an important component of the country's Asia 2000 project to be launched next month. The project aims to devise a strategic plan covering clear goals and critical paths guiding New Zealand's relationships with Asian countries by the year 2000.

New Zealand welcomes China's consolidation of its reform process and the continuing of its "open door" policies, which, he added, would be benefit both on the basis of the improving bilateral trading relationship [sentence as received].

China has become one of New Zealand's top ten trading partners, with trading volume with China shooting up by 84 percent last year. China took more than one fourth of New Zealand's woolclip last year in addition to growing market for NZ's forest and dairy products. This had helped boost NZ's exports to China to 278 million NZ dollars (153 million U.S. dollars).

Comments on Asia-Pacific Security

OW2104042292 Beijing XINHUA in English
0339 GMT 21 Apr 92

[Text] Wellington, April 21 (XINHUA)—The New Zealand Government hopes to see a greater role played by China in the Asia-Pacific regional security so as to maintain stability and tranquility in the region.

This was stated by New Zealand Deputy Prime Minister Don McKinnon in an exclusive interview with XINHUA today.

McKinnon, who is also the minister of foreign affairs and minister of external relations and trade, is leaving here tomorrow for a 12-day trip to Hong Kong, China and Thailand.

There have been new moves in and around the Asia-Pacific [as received] along with the moving out of former Soviet Union's military presence in the region and New Zealand "would not want to see things get out of balance" towards it, the minister explained.

While focusing on discussing how to expand trade and economic cooperation between the two countries during his stay in China, the minister hoped to discuss a range of foreign policy issues with Chinese leaders. "China's foreign policy appears to be increasingly sensitive to international opinion," McKinnon said. This included China's decision to accede to the nuclear non-proliferation treaty and China's constructive role in promoting a settlement in Cambodia, he noted, adding that all this was "good news for all in the Asia-Pacific region."

Reaffirmed New Zealand's support [passage as received] for the restoration of China's status in the GATT (General Agreement on Tariffs and Trade), the minister said, China's entering in the GATT would benefit trade between the two countries and the world trade as a

whole. The minister also thanked the Chinese government for its support to New Zealand's bid for a member [as received] of the United Nations Security Council.

Near East & South Asia

Zou Jiahua Meets Israeli Businessmen

OW2204134792 Beijing XINHUA in English
1325 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—Chinese Vice-Premier Zou Jiahua met a delegation of the Manufacturers Association of Israel led by its Chairman Dov Lautman here this afternoon.

During the conversation, both sides agreed to expand economic and technological cooperation in a wide range of fields.

Noting that the establishment of diplomatic relations between China and Israel has made bilateral cooperation possible, Zou said that China is willing to gradually establish normal economic and trade relations with Israel on the basis of equality and mutual benefit.

At present, he said, the two sides may explore possible cooperation in such fields as electronics, textiles, energy saving and chemical industry.

Lautman said that during their stay here, the delegation has discussed issues, such as investment in China, launching of joint ventures and joint production of exports, with their Chinese counterparts.

Al-Qadhdhafi Proposes Cairo Trial for Suspects

OW2204233192 Beijing XINHUA in English
2310 GMT 22 Apr 92

[By Li Zhurun and Gong Zhenxi]

[Text] Tripoli, April 22 (XINHUA)—Libyan leader Mu'ammar al-Qadhdhafi said today that his country wants to have the two Libyan bombing suspects tried in Cairo, again refusing to extradite them to the United States or Britain.

In an exclusive interview with XINHUA, al-Qadhdhafi said that he "does not mind" the composition of the proposed court, whether it is an international court or an Arab court. Such a court, he said, should be a "mixed court."

"There are many parties involved in the disputed bombing case and all could participate (in the investigation and trial of the case)," he said.

Al-Qadhdhafi also said that the suspects may also be turned over to Malta or the Arab League, "not the U.S. or Britain."

The Libyan leader said that he had discussed with Egyptian leader Hosni Mubarak the possibility of bringing the two Libyans to trial in Cairo. According to al-Qadhdhafi,

Mubarak expressed readiness to help prevent an escalation of the current tension, indicating that Egypt does not want to see one more U.N. resolution against Libya.

Al-Qadhdhafi met with Mubarak in the Egyptian Mediterranean town of Sidi Barrani Tuesday to discuss Libya's standoff with the West over the bombing allegations.

The interview with XINHUA was conducted in a tent on the outskirts of Benghazi, the second largest city of Libya. A special plane took XINHUA reporters to Benghazi and sent them back, along with Chinese Ambassador Wang Houli who was received by the Libyan leader separately.

According to the ambassador, he and his host discussed the current crisis between Libya and the West as well as relations between the two countries.

The interview came one week after the U.N. sanctions against Libya took effect. The Security Council adopted sanctions Resolution 748 for Libya's refusal to hand over the two men accused by the United States and Britain of blasting Pan Am Flight 103, which killed 270 people.

France, which proposed the sanctions along with the U.S. and Britain, also seeks four other Libyans allegedly involved in the bombing of a French UTA plane over Niger one year later.

Again the Libyan leader insisted on the innocence of the two Lockerbie bombing suspects. "We are sure, a hundred percent, that they are innocent," he said.

"It violates Libyan law, international law and the Montreal Convention to extradite our citizens to foreign countries," he said.

He said the current crisis "is a problem of two persons, not a problem of a country." "Libya, as a state, has nothing to do with the matter," he said, referring to the bombing case.

Al-Qadhdhafi noted that Libya's People's Committees for Justice and Foreign Liaison (justice and foreign ministries) "have no objection to letting the two Libyan citizens go anywhere (for trial), in America or England," the problem is that "they refused to go," he said.

"In that case," al-Qadhdhafi said, "it is meaningless and unjustified to punish Libya." He said that the Libyan law does not force Libyan citizens to surrender themselves to foreign countries, like any other country.

"If they want to go, they are free (to go), but we can't force them to go," he added.

Al-Qadhdhafi reiterated Libya's acceptance of U.N. Resolution 731 adopted in January, which asked Libya to cooperate in the investigation of the bombing case. But, acceptance of that resolution does not mean Libya's readiness to surrender its citizens to foreign countries, he said.

Asked to comment on the relations between the United States and Libya, he indicated willingness to improve relations with the country that has been pressing him so hard.

"I think the Americans will have nothing to gain" in the current crisis, he said, adding that to improve relations with Libya would serve the interests of the United States.

"There are many big projects in Libya, and we need many world companies to do these," he said. "America needs relations with Libya. Otherwise, other countries will move in."

Asked to comment on positions of other Arab countries on the crisis, al-Qadhafi said that there is an "understanding" between the Libyans and fellow Arabs.

"The Arab countries support Libya," he said. "Meanwhile, we do not force them to oppose the sanctions resolution."

Speaking specifically of Egypt, al-Qadhafi said that Libya had no problem with its neighbor. "Land transportation and so on will continue," he added.

After all, Libya "has no problem with any other Arab country, and it only has problems with foreign countries," he said.

Lebanese Minister Confers Medal on Ambassador

*OW2204150792 Beijing XINHUA in English
1422 GMT 22 Apr 92*

[By Li Shaoqing]

[Text] Beirut, April 22 (XINHUA)—Foreign Minister Faris Buwayz, representing the Lebanese president, today conferred a medal on outgoing Chinese Ambassador Yang Yihuai.

At a ceremony held at the Lebanese Foreign Ministry, Buwayz conferred a "Cedar Medal" of Knight Degree—the highest degree in Lebanon—to Yang Yihuai.

On the occasion, Buwayz spoke highly of the friendly cooperative relations between China and Lebanon.

He thanked particularly the consistent support from the Chinese Government for the Arab and Lebanese just causes.

He hoped the relations of friendship between the two countries and peoples will develop continuously.

Buwayz expressed appreciation of the ambassador's efforts in developing the friendly relationship between the two countries during his tenure of office.

Officials of the Lebanese Foreign Ministry and diplomats of the Chinese Embassy here attended the ceremony.

Sub-Saharan Africa

Li Tieying Meets Cameroon Delegation

*OW2304101492 Beijing XINHUA in English
1004 GMT 23 Apr 92*

[Text] Beijing, April 23 (XINHUA)—Li Tieying, Chinese state councillor and minister in charge of the State Education Commission, met with a cultural delegation from Cameroon at the Great Hall of the People here this afternoon.

The delegation, led by Minister of Information and Culture Augustin Kontchou, has been here to learn about China's principles and policies on culture, development of cultural facilities, explore ways of exchanges and cooperation in culture and information between the two countries.

The visitors arrived here Monday as guests of the Ministry of Culture.

Ugandan President Meets Special Envoy Chen Muhua

*OW2104223892 Beijing XINHUA in English
2042 GMT 21 Apr 92*

[By Zhang Yingsheng]

[Text] Kampala, April 21 (XINHUA)—Ugandan President Yoweri Museveni met today with the visiting Chinese special envoy and vice-chairperson of the standing committee of the National People's Congress of China, Chen Muhua, at the state house, Entebbe.

During the discussions, president Museveni praised China's independent policy in international affairs and the Chinese leaders' wisdom in undertaking economic reform which, he said, is bound to bring prosperity to the Chinese people and increase the possibilities of cooperation with other peoples in the world.

Museveni also commended the Chinese Government and people for their support to the African liberation movements.

On bilateral relations, he thanked China for the support it has given to Uganda over the past years.

President Museveni also expressed happiness that the Namboole Sports Stadium project, aided by the Chinese Government, will soon take off.

Briefing the president on the situation in China, Chen Muhua said that China is now taking on the road of political and social stability and economic development.

She said China's economic reform has been in progress for the past 13 years, which enjoys the support of the Chinese people.

She said that as both Uganda and China are developing countries, they have a lot in common in strengthening the South-South cooperation.

She noted that the relationship between Uganda and China has been going from strength to strength, especially in the economic field.

Chinese Ambassador to Uganda Xu Yingjie and Ugandan officials from the Ministry of Foreign Affairs were present at the meeting.

The Chinese special envoy and her party arrived here on Sunday for a four-day official visit to the east African country.

West Europe

Dutch Minister Says Government on 'Right Track'

OW2104223792 Beijing XINHUA in English
2045 GMT 21 Apr 92

[Text] The Hague, April 21 (XINHUA)—Dutch economic minister Koos Andriessen said here today that China has taken on the right track implementing the policies of reform and of opening to the outside world.

This provides possibilities for expanding economic and trade relations between the Netherlands and China.

In an interview with XINHUA, Andriessen said, at the invitation of the Chinese minister of foreign economic relations and trade, he will visit China in a bid to "reinforce and improve economic and trade relations between the Netherlands and China."

"China is a tremendous country with an industrial population. It will have a bright future," he said.

During the visit, he said, he'll hold talks with Chinese leaders and counterpart of economic affairs.

The minister said that he is confident about his visit because of full preparation and the participation of 16 leaders of big enterprises in the Dutch economic mission he leads.

The Dutch economic minister and his mission will visit China from April 24 to May 1.

CNPC, Dutch Company Sign 'Letter of Intent'

OW2204162692 Beijing XINHUA in English
1549 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—Wang Tao, president of the China National Petroleum Corporation (CNPC), and John Jennings, chairman of the Royal Dutch Shell Group companies, signed a letter of intent this evening for oil exploration and development in China.

A senior Chinese official described the agreement as "a new step forward by China's oil industry to expand cooperation with foreign companies."

The letter of intent stipulates that the two parties will meet again in the near future to discuss the scope and

style of cooperation, and a contract will be signed when agreement is reached. Following approval by the Chinese Government, various operational activities will be conducted by the two parties in the selected areas.

Chinese oil officials say that in line with the policy of opening to the outside world, the Chinese oil industry will adopt various flexible methods of attracting additional foreign investment, technology and management. The industry will seek wide-ranging cooperation with foreign companies, including shell, for projects in selected inland areas in the shallow off-shore eastern coastal regions. Such cooperation will include technical cooperation to improve the rate of recovery in developed oil fields, the development of heavy oil, and construction of facilities for the comprehensive use of oil and gas.

In recent years, China has allowed foreign companies to expand risk exploration and cooperative development in eleven provinces in southern China.

Last year, Shell and China signed a contract on building a refinery in Huizhou, Guangdong Province.

Wang said at the signing ceremony that China and Shell have built a relationship based on trust. The letter of intent will provide new prospects for further cooperation, he said.

Jennings described the letter of intent as a "milestone" in cooperation between the two sides. He added that Shell is confident of winning more contracts in China.

Latin America & Caribbean

Wu Xueqian Meets Paraguay Delegation

OW2204135392 Beijing XINHUA in English
1306 GMT 22 Apr 92

[Text] Beijing, April 22 (XINHUA)—Chinese Vice-Premier Wu Xueqian met a political parties's delegation of Paraguay here this evening.

The vice-premier asked the first delegation from Paraguay to promote the ties between the two countries to have wide contacts with Chinese departments and visit more places so as to increase mutual understanding.

Wu, also a member of the Political Bureau of the Chinese Communist Party Central Committee, said that China wishes to expand its economic cooperation and cultural exchanges with Paraguay and other Latin American countries.

He reiterated that China is willing to establish and develop relations with all countries on the basis of the principles of peaceful coexistence.

Martinez Caceres, head of the delegation and a chamber deputy of the ruling Colorado Party, said that although the visit was brief, he and colleagues have learned a lot about both the current situation and the history of China.

The delegation came to China on April 20 at the invitation of the association of international understanding of China.

Political & Social

Qiao Shi Stresses Studying Deng Speech on Tour

OW2204175792 Beijing XINHUA Domestic Service
in Chinese 1514 GMT 22 Apr 92

[By XINHUA reporter Chi Maohua (3069 5399 5363)
and SHANXI RIBAO reporter Jia Zheng (6328 2973)]

[Text] Taiyuan, 22 April (XINHUA)—During his inspection tour of Shanxi Province from 16 to 22 April, Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, was very pleased to see that the masses of cadres and people along the road he was traveling were conscientiously studying, implementing, and reacting warmly to the important speech by Comrade Deng Xiaoping. Qiao Shi stressed that the essence of Comrade Xiaoping's important speech is pushing forward the economy.

In this season when flowers of mountain peaches are blooming, Qiao Shi, accompanied by the secretary of the Shanxi Provincial Party Committee Wang Maolin, provincial Governor Wang Senhao, and Feng Zhimao, secretary of the Discipline Inspection Commission of the Standing Committee of the provincial party committee, as soon as he arrived, traveled to Luliang, Linfen, Yuncheng, Taiyuan prefectures and cities and inspected some poor mountain villages in some poor counties in the Luliang mountainous area to get acquainted with their efforts to develop the economy and free themselves from poverty and become well-off. Qiao Shi also inspected some large and medium-sized enterprises and some village and township enterprises. During his inspection tour, Qiao Shi was pleased to see that the masses of cadres and people were filled with exultation and confidence after studying the important speech of Comrade Deng Xiaoping. He said emphatically that the essence of Comrade Xiaoping's important speech is pushing forward the economy. He said that the purpose of Comrade Xiaoping's important speech is clear. It has clarified the questions and ideological tendencies within the party that are worth paying attention to and should be prevented; it has said what the people wanted to say; and it has clarified some ideologically confused questions. He expressed the hope that all conscientiously study and profoundly understand the spiritual essence of Comrade Xiaoping's important speech, study it more deeply in the light of reality, and truly solve problems with respect to ideological understanding. Otherwise, we cannot benefit from implementing Comrade Xiaoping's ideas. He stressed that it is necessary to bring about an ideological leap forward among the cadres of the whole party, particularly cadres at and above the county level. This will enable them to understand more clearly that the basic policies formulated since the Third Plenary Session of the 11th CPC Central Committee are correct, to more firmly follow the road of building socialism with Chinese characteristics, to be determined and have confidence in adhering to the party's basic line of "one

center, two basic points," to further emancipate their minds, and to promote the development of productive forces.

In conjunction with the historical experiences gained in the 70 years since the founding of the party, Qiao Shi also stressed the importance of Comrade Xiaoping's idea on heightening vigilance against the rightists, but the main thing is guarding against the "leftists." He said that our party's two resolutions on some historical questions were mainly aimed at correcting the mistakes of "leftists" within the party. The rightists can bury socialism, and similarly, the "leftists" can also bury socialism.

In impoverished mountainous areas, Qiao Shi made several visits to the homes of peasants. There, he inquired in detail about their production and living conditions and the education of their children. After he learned that the peasants in mountainous areas have achieved initial success in solving the problem of food and clothing since the Third Plenary Session of the 11th CPC Central Committee, Qiao Shi said that the household contract responsibility system with output linked to remuneration is by no means an attempt to divide up land for farming. It has greatly aroused the initiative of the peasants. Village and township enterprises, being a form of socialist collective ownership, should be given continued guidance so that they will continue to develop vigorously. The individual economy is also an indispensable and useful supplement to the socialist economy. The party's rural policies will remain unchanged, and they must not be changed.

Xiyang County [listed as Xixian County in the Administrative Divisions of the People's Republic of China] is Shanxi's comprehensive county structural reform pilot county. After changing their functions, the party and government organs of this county promoted developmental production to help the peasants free themselves from poverty. In three years the county's agricultural output value, total grain output, peasants' per-capita income, and revenue doubled. By shifting their functions to promoting the development of a commodity economy, county-level administrative organs have blazed a new trail for comprehensive county reform. When Wang Denghua, chairman of the county's people's congress, standing on the mountain slope of Hongjiagou, reported with great interest to Qiao Shi how the county leadership shifted their functions and joined the peasants of poor mountain villages in developing barren hills by planting trees and building a production base of 100,000 fruit trees and timber trees, Qiao Shi, looking at the saplings on the slopes swaying in the winds, nodded his head to show his praise. He said the work of eliminating poverty and becoming well-off in mountainous areas should depend mainly on deepening reform. You have done a good job in taking the lead! By joining hands with the masses in developing mountainous areas, office cadres are not only assisting the poor, but have improved their ideological consciousness and promoted closer ties between the party and the masses and between the cadres and the masses.

At the Taiyuan Rubber Plant, Qiao Shi commended everyone after hearing how the plant deepened reform and took the lead in smashing the "three iron's" [iron rice bowl, iron wages, and iron armchair—lifelong tenure] with respect to the labor, personnel, and wage systems. He said that reform in large and medium-sized state enterprises should mainly be aimed at transforming their operating mechanisms, separating administrative functions and enterprise management, enabling them to compete in the market and carry out technical transformation. Only in this way will there be hope for enterprises.

Qiao Shi also made some suggestions on building clean government, strengthening procuratorial and judicial work, and improving leading bodies at all levels. He pointed out that party and government organs should be clean and honest and foster the idea of doing good and practical things for the masses. Basic units are the foundation of all work. Therefore, it is absolutely necessary to strengthen the building of the basic party and government organizations. In procuratorial and judicial work, it is necessary to stress the building of law-enforcement contingents and to make rendering services for reform and opening to the outside world and economic construction the basic point of departure for all work. In strengthening the building of leading bodies, it is important to foster the idea of serving the people wholeheartedly, to study the basic principles of Marxism in the light of reality, to link theory with practice, to seek truth from the facts, and to use a Marxist stand, viewpoint, and method to understand and solve the problems emerging in the course of socialist modernization. Leading bodies should unite, boldly shoulder heavy burdens, support one another, and do their work well.

During his inspection tour in Shanxi, Qiao Shi heard work reports by the Shanxi provincial party committee and the provincial government. He said the people of Shanxi have made contributions to the country's four modernizations drives. He was very pleased to see new developments and new changes emerge in the course of reform in Shanxi, and expressed the hope that Shanxi will accelerate the pace of reform and do its work still better under the spiritual inspiration of Comrade Xiaoping's important speech.

Deng Said Using University To Attack Hardliners

HK2304025992 Hong Kong SOUTH CHINA MORNING POST in English 23 Apr 92 p 1

[By Willy Wo-lap Lam]

[Text] Chinese patriarch Mr Deng Xiaoping has taken his struggle against Marxist hard-liners to the Beijing University campus in a bold move to speed up reform, Chinese sources said.

And aides of the senior leader, especially his five children, have stepped up the recruitment of liberal intellectuals in the battle against hard-liners.

The sources said Mr Deng, 87, had intermediaries assemble a small group of students and teachers last month to write reports accusing university authorities of abandoning the reform line and blocking Mr Deng's speeches.

These reports, dated March 10, have been sent to the highest levels of the Communist Party where Deng supporters are using them as ammunition.

One of the reports accused university officials—and by extension party hard-liners—of negating the reform line and calling the past decade of reforms "10 mistaken years".

The university documents said hard-liners were stepping up opposition to Mr Deng by saying his plan to make use of elements of capitalism would lead to political chaos.

"As soon as we stop carrying out socialism, the country will certainly have chaos, and once we have chaos we'll be in even more of a mess than the Soviet Union," one document quoted Mr Wang Jiaqiu, the university's party boss, as saying.

The sources said the Deng offspring, including eldest son Mr Deng Pufang and daughters Ms Deng Rong and Ms Deng Nan, had made frequent trips to different parts of the country to liaise with local cadres and intellectuals.

Deng aides had also persuaded reformist cadres and scholars to give speeches and write articles critical of the hard-liners.

The latter included the former vice-chief of propaganda Mr Gong Yuzhi, former People's Daily editor Qin Chuan, and economists Mr Fang Sheng and Mr Li Yining.

Most important, the sources said by the middle of this month, Mr Deng, a former military chief, had elicited personal vows of support from central- and regional-level army officers.

From late 1989 to mid-April, senior officers from both the headquarters and military regions toured the special economic zones of Shenzhen and Zhuhai.

And practically all of them went on the record as offering their total support to "protecting the emperor and safeguarding his venture," a reference to Mr Deng's reform blitz.

Shanghai Paper Hosts Forum on Deng's Remarks

OW2204130692 Shanghai WEN HUI BAO in Chinese 18 Apr 92 p 1

[WEN HUI BAO's special dispatch from Beijing by reporters Zhou Jinwei (0719 6930 1414), Wang Jienan (3769 2212 0589), and Tan Jianzhong (6223 1696 1813) on 17 April: "It Is Imperative To Emancipate the Mind To Deepen Reform"]

[Text] Today, the editorial department of this newspaper held a forum attended by Beijing experts and scholars of economic theory. The meeting was designed to review in a thorough manner Comrade Deng Xiaoping's remarks during his inspection trip to the south and the guiding spirit of the meeting of the Political Bureau of the CPC Central Committee. All the participants in the meeting held that in order to deepen reform it is imperative to emancipate the mind, do away with all forms of ideological obstacles and restraints, and take bold steps in carrying out reform by using Comrade Deng Xiaoping's idea of building socialism with Chinese characteristics as guidance.

Attending and speaking at the meeting were noted economists and scholars from Beijing, including Su Xing, Liu Suinian, Dong Fureng, Wu Xiang, Xiao Liang, Wu Jinglian, Wei Xinghua, Li Yining, Dai Yuanchen, Zhao Renwei, Fang Sheng, Li Boxi, Ma Jiaju, Xiao Zuojie, Wang Ruipu, Zi Zhifeng, Shen Baoxiang, Wu Guanghui, Zhu Mingchun, and Shen Jianjun. Five of these people presented written speeches. Wu Zhenbiao, deputy editor-in-chief of this newspaper, presided over the meeting.

While reviewing the events that have transpired since the Third Plenary Session of the 11th CPC Central Committee, all the participants contended that it has not been smooth sailing for the implementation of the basic line of "one center and two basic points." Efforts have been made and new ideas adopted to overcome difficulties along the road. As pointed out by the report of the 13th Session of the CPC Central Committee, because of long-standing practices of the "left" which constitute major obstacles for reform and opening to the outside world, it will be a major task to overcome ossified ideologies for many years to come. Those ossified ideologies find their expressions in the following forms: sticking to dogmas which have been proved outdated; ignoring the innovation of Marxist theories; and maintaining a fearful attitude and "capitalism phobia" (kong zi zheng 1858 6327 4017) toward the operative mechanism and means of capitalism suitable for large-scale socialized production in the drive toward reform and opening to the outside world. Some scholars analyzed the ideological obstacles and restraints existing within current efforts to implement economic development, a market-oriented economy, a system featuring multiple economic elements, and the share-holding system.

They argued that, in emancipating the mind, it is necessary to get rid of old ways of thinking and ideas that confine people's minds. The yardstick for emancipating the mind is based on the ideological line of the party's characteristic of seeking truth from facts. The yardstick also is based on socialism with Chinese characteristics as a theoretical foundation. To put it in concrete terms, the work of emancipating the mind depends mainly on "two criteria": Practice in judging the truth is one criterion; practice in judging productive forces is the other. It also is based on "two theories": the theory of the primary stage of socialism, and the socialist economic theory of

commodities. They held that, as economic theorists, they should work harder to sum up and generalize the theories. For example, situations in which theoretical generalization lags behind the requirements of practical development, or even behind specific policies, do indeed exist in some area of our economic system. Such situations will hinder our progress along the road of implementing the policy already adopted. They contended that, in emancipating the mind and getting rid of old ideas, we should not proceed in a simple way by recklessly putting big caps on others [a metaphor for trying to give a bad reputation to someone who does not deserve it]. It is necessary to engage in free and practical discussions. We should be reasonable in our discussions. Moreover, we should actively carry out the policy of reform and opening to the outside world and establish new ideas during the course of our practice.

They said that this is an extremely opportune moment for us to accelerate reform and opening to the outside world because people's enthusiasm for reform has been rekindled and that we should cherish this kind of enthusiasm. Therefore, efforts should be made in the following two areas: First, governments at all levels should take a clear-cut attitude and give resolute support and encouragement to bold and new experiments in reform, as well as to those cadres who dare implement these experiments. In addition, we should try to correct possible mistakes that are engendered during the course of reform. Second, efforts should be made to formulate various norms and regulations for promoting reform and opening to the outside world. In this way, we can avoid possible "overheated" confusion. For example, efforts should be made to accelerate the formulation of cooperation laws and negotiable instrument laws in order to facilitate experiments with share-holding systems and stock markets.

The experts and scholars expressed great concern and expectations for Shanghai's efforts to promote reform and opening to the outside world. They said that Comrade Deng Xiaoping's remarks in Shanghai are a great impetus for Shanghai to promote reform and opening to the outside world. In terms of opening to the outside world and promoting the commodity economy, Shanghai should take larger steps to catch up with Guangdong. If Shanghai does this, it will greatly affect the Chang Jiang Valley, as well as other places across the country.

KYODO: Zhao Aide Bao Tong Expelled by Party

OW2204144792 Tokyo KYODO in English 1432 GMT 22 Apr 92

[Text] Beijing, April 22 KYODO—The Chinese Communist Party has expelled Central Committee member Bao Tong, a top aide to former party leader Zhao Ziyang, sources in the party's propaganda department revealed Wednesday.

Bao was considered as the "brain" of then Communist Party General Secretary Zhao Ziyang who was stripped

of his all party posts in June 1989 for his controversial handling of the military crackdown on the pro-democracy movement in Tiananmen Square in Beijing. But he still has a membership of the Communist Party.

The sources declined to elaborate on the party's removal of Bao, who was arrested in January on suspicion of inciting antirevolutionary propaganda campaigns.

Beijing TV Broadcasts 'Stories From Newsroom'

Episode Stresses Legal Knowledge

OW2304045492

[Editorial Report] Beijing Central Television Program Two Network in Mandarin at 1230 GMT on 17 April broadcasts a 55-minute installment in the series "Stories From a Newsroom." The number of the installment is not specified. The episode is entitled "Dispute Over Infringement of Rights." Before the general title of the series appears, the video shows a caption reading "this is a completely made-up story." Following the general title are credits for a six-person cast, with two female and four male characters.

The episode begins with a woman working at the magazine DAZHONG SHENGHUO [THE LIFE OF THE MASSES] accusing another magazine, RENJIAN ZHINAN [WORLD GUIDE], of infringing on her publication's rights by "usurping its name."

The gist of the episode is that two "swindlers" try to make some money by putting up a show in the name of both RENJIAN ZHINAN and DAZHONG SHENGHUO and that RENJIAN ZHINAN consents to it by affixing its seal to what is called a contract. DAZHONG SHENGHUO, which is not notified of this, accuses RENJIAN ZHINAN of usurping its name after learning about the incident.

Video shows the chief editor and a woman from DAZHONG SHENGHUO visiting the office of RENJIAN ZHINAN and angrily asserting that they will sue the publication for "infringing on our magazine's rights."

When three people from RENJIAN ZHINAN confront the "two swindlers" with the facts, the latter admit their fraudulent act without mincing words and even tell the former that they can legally do nothing about them because their names are not on the "contract." One of the "swindlers" even admonishes the three people from RENJIAN ZHINAN: "From now on, you guys should be more careful. Society is very complicated. If you do not know the law, you will suffer a great deal. Let this be a lesson to you."

Four personnel from RENJIAN ZHINAN then visit DAZHONG SHENGHUO's office but fail to settle the dispute with the latter's chief editor. Thus, DAZHONG SHENGHUO sues RENJIAN ZHINAN for "usurping its name" and "infringing on its rights." The plaintiff

wins the case, and the defendant is ordered by the judge to openly apologize to the plaintiff for "usurping its name."

After losing the case, back at the office the chief editor of RENJIAN ZHINAN stresses to his colleagues: "The law is solemn, with strict articles and clauses. Whoever violates the law will be punished according to it. This time we have suffered from our ignorance of the law." "From now on, we must study the law and acquire a knowledge of it."

Housekeeper Woes Assessed

OW2304063192

[Editorial Report] Beijing Central Television Program Two Network in Mandarin at 1230 on 22 April broadcasts a 55-minute installment in the series "Stories From a Newsroom." The number of the installment is not specified. This episode is entitled "Little Housekeeper."

The editorial staff of the "SOCIAL GUIDE" magazine discusses Editor Li's article on the plight of a "little housekeeper" called Ju Zi who was mistreated by her employer. After reading the article on the housekeeper, readers call the newsroom to express concern for Ju Zi. This prompts Editor Ge to comment: "Usually, it is hard to find good people, but, when something happens, all the good people show up."

One telephone call specifically asks to speak to the author of the article, Editor Li. Editor Li is heard to say sarcastically: "Yes, I am the one who wrote the article. No, no, no. Don't thank me. Thank our motherland. Thank our socialist system and this warm society." Editor Ge, at a nearby desk, is seen snickering at Editor Li's praise of socialism.

One day, another housekeeper named Li Jihong visits the newsroom holding a copy of "SOCIAL GUIDE" magazine. She also complains about mistreatment by her employer and hints that she might commit suicide. Greatly alarmed, the editors volunteer to help find her a new job.

A horde of prospective employers virtually beats down the newsroom door in an effort to employ this housekeeper. To the editors' great embarrassment, those prospective employers try to hire Editor Ge and Editor Niu, two women editors, mistaking them for housekeepers.

Interviews with prospective employers are then conducted in the newsroom. Housekeeper Li Jihong makes many demands of the prospective employers. She wants to work in the home of a senior cadre and wants a big room and a television set.

The field is narrowed to four. She asks the four: "Would you all welcome me to work for you?" The four say in unison: "We welcome you, we welcome you, we cordially welcome you," apparently echoing a phrase used by Young Pioneers when welcoming foreign dignitaries.

The housekeeper chooses for her employer a man who promises that he and his wife will treat her kindly.

The scene then returns to Ju Zi, the first housekeeper and subject of the original magazine article. Ju Zi is a good housekeeper and was once named model housekeeper.

The editors speculate on the situation of housekeeper Li Jihong. Editor Ge and Editor Li visit the home of Li Jihong's new employer. Much to their surprise, in a role reversal, Li Jihong is seen ordering the mistress to run errands and ordering her employer to stay in the kitchen with his son while she receives guests. Indignant, Editor Li and Editor Ge kick housekeeper Li Jihong out of the house.

Bumper Radish Crop Viewed

OW2304045592

[Editorial Report] Beijing Central Television Program Two Network in Mandarin at 1130 GMT on 22 April broadcasts a 55-minute installment in the series "Stories From the Newsroom." The number of the installment is not specified. The episode is entitled "Seven Ingredients in Water."

In the first scene, set in an editorial office, five editors, Liu, Niu, Yu, Ge and Li, discuss a news report on a local bumper radish harvest. They worry that the harvest will prove to be too big for local consumption. Editor Niu, a woman, reads a newspaper report that a member of the Chinese People's Political Consultative Conference National Committee has suggested that radishes can be used to make wine. Editor Yu says sarcastically: "Our old comrades indeed have good ideas." One editor suggests that some radishes be shipped as aid to the Sahara. Editor Yu says, again in a sarcastic tone: "Yes, we must always remember to support others" and suggests that an airlift would be an even better idea. The editors conclude that Editor Li should include a radish course in his weekend recipe feature for the magazine.

The second scene shows editors voluntarily helping unload radishes from trucks in response to a government appeal.

The third scene shows the three younger editors, Yu, Ge, and Li, visiting a retired cook in the latter's house, trying to obtain his famous radish recipe, "Seven Ingredients in Water." Mr. Wang, the old cook, is editor Yu's friend and used to work for the Japanese general, Okamura, when China was under Japanese occupation. Editor Yu says: "I have come to see you, Mr. Wang." Wang says: "Why come to see me? Why don't you go to the movies which are full of revolutionary stories?" When Yu introduces his colleagues to the old man and reminds him of his employment by Okamura, Wang says: "Are you here to question me about my past? I already made a confession after the revolution. I worked for the Japanese because I was young and ignorant then." After the visitors explain their intentions, the old man refuses to

give them the recipe and leaves the house. The editors then trick Wang's teenaged granddaughter into telling them the old man's secret recipe.

The last scene is back in the editorial office. The editors all develop stomach trouble after sampling the recipe. Wang arrives at the office to tell them that they have used the wrong recipe, one intended for external use as a skin medication, and that the real one needs expensive ingredients that ordinary people cannot afford.

Landslide Early-Warning System on Yangtze River

OW2304110192 Beijing XINHUA in English
1003 GMT 23 Apr 92

[Text] Kunming, April 23 (XINHUA)—The nation's first landslide and mud-rock flow early-warning system has been established along the upper reaches of Yangtze River.

The system includes 12 early-warning centers and 29 early-warning stations. The system can control more than 10,000 square kilometers of land along the Yangtze River in parts of Yunnan, Guizhou, Gansu, Shaanxi and Hubei Province.

Landslides and mud-rock flows frequently occur in China, and they mainly happens in Yangtze River basin.

According to statistics reported, the upper reaches of Yangtze River has several thousands of debris flow trenches, and more than 10,000 places of landslides. They pose direct threat to more than 200 counties and over 10 million people.

The landslides and debris flows would cause much casualties every year and the annual economic losses could reach 100 million yuan.

In this case, the state has been paying greater attention to the water and soil conservation on one hand and started to establish its landslide and debris flow early-warning system from 1990 on the other hand.

Now the system has become operational, with more than 100 special personnel.

On the morning of last June 29, Zigui County in Hebei Province had a large scaled landslide, but no one was hurt or killed thanks to the effective early warning. This is the first time that the system played an important role.

More early-warning stations will be established along the upper reaches of the Yangtze River this year.

Article Assesses Criteria for Judging 'Surname'

HK2204150592 Guangzhou NANFANG RIBAO
in Chinese 6 Apr 92 p 4

[Article by Huang Hao (7806 3185): "Main Criteria for Judging 'Socialism' and 'Capitalism'"]

[Text] Comrade Deng Xiaoping recently pointed out that the criteria for judging whether a thing bears the surname "socialism" or "capitalism" "should mainly be that of seeing whether it is conducive to the development of productive forces in socialist society; whether it is conducive to the growth in the comprehensive national strength of a socialist country; and whether it is conducive to the enhancement of the people's living standards."

When studying this, some comrades said that it is not easy to understand and they asked: Are there still other points as main criteria for socialism? Is the development of productive forces in socialist society also the main content of the nature of socialism? Is not capitalist society also able to effect the development of productive forces? In the past, we used to say that the essential difference between socialism and capitalism lay in the character of the social systems, or in the character of the superstructure and ideology. Which of these two propositions is correct? Can they be compatible with one another? Indeed, Comrade Deng Xiaoping's thesis is somewhat different from the usual explanations made by our theorists in the past. In my view, he did not say this casually. Here, I want to express my understanding.

First, undoubtedly, to distinguish socialist society from capitalist society, we cannot merely see whether productive forces are developed, whether comprehensive national strength is increased, and whether the people's living standards are enhanced. In fact, after the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping stressed more than once the need to comprehensively carry out the party's basic line. In his important talks during his recent southern inspection trip, he pointed out very explicitly that, to build socialism with Chinese characteristics, the key lies in adherence to "one center, two basic points." Moreover, he also paid special attention to the superstructural construction of the socialist system. For example, he spoke a great deal about upholding the four cardinal principles, struggling against bourgeois liberalization, strengthening the people's democratic dictatorship, strengthening party building, and strengthening spiritual civilization building. When discussing the nature of socialism, he mentioned three points: "Emancipating and developing productive forces, eliminating exploitation, and eliminating polarization to eventually effect common prosperity." He mentioned both the issue of developing production and the issue of the character of the economic and political systems in socialist society as well as the purpose of socialist construction. Obviously, Comrade Deng Xiaoping did not only take the development of productive forces in socialist society as the sole criterion for judging socialist society and capitalist society, still less did he take this to assess the character of the socialist system as a whole. Therefore, the "main criterion" mentioned by Comrade Xiaoping should not be misunderstood.

Second, Comrade Deng Xiaoping took the "three points of whether being conducive" as the main criterion for

judging "socialism" and "capitalism" mainly in view of the fact that some people balk at taking action and making breakthroughs in reform and opening. Why are they scared to take action and make breakthroughs? He pointed out: "In the final analysis, they are afraid that more capitalist things would be brought about and that they might move onto the capitalist road." That is to say, when putting forward the "three whethers," comrade Deng Xiaoping actually referred to the main criterion for judging whether reform is carried out properly. "Reform is also the emancipation of productive forces." If reform cannot promote the development of productive forces, its necessity or its propriety would become dubious. Our practices in reform and opening in the past 12 years promoted the development of productive forces and proved conducive in the three aspects, so must not be regarded as bearing the surname "capitalism"; instead, they bear the surname "socialism."

Third, Comrade Deng Xiaoping takes the "three points of whether being conducive" as the main criterion for judging whether a thing bears the surname "socialism" or "capitalism," and, in so doing, he adheres to the basic principle of historical materialism. This is because to judge whether a society is progressive and whether a new social system is superior to the old social system, in the final analysis, we still should investigate whether the level of social productive forces has been raised. We say that the socialist system is superior to the capitalist system because the former can take the initiative in changing the old relations of production which hinder the development of productive forces. If the development of productive forces cannot match that in capitalist society, how can we say that socialism is superior? In this sense, taking the "three points of whether being conducive" as the main criterion for distinguishing "socialism" from "capitalism" is precisely in conformity with the basic principle of historical materialism.

Fourth, Comrade Deng Xiaoping's idea of taking the "three points of whether being conducive" will also help us distinguish genuine socialism from sham socialism and distinguish the old socialist model from the socialist model which is full of vigor. As we all know, socialism during the "Cultural Revolution" held high the banner of Marxism-Leninism and made a lot of high-sounding talk about the superiority of socialism. However, productive forces were not developed, the nation did not become wealthy or powerful, and the people's standard of living was not raised. How could such "socialism" be regarded as "good"? In view of the fact that errors occurred in the course of our socialist construction, Comrade Deng Xiaoping pointed out sharply: "Poverty is not socialism." This clearly showed us that, precisely in order to make socialism's "name" match its "reality," Comrade Deng Xiaoping put forward the criterion of the "three points of whether being conducive." He also warned us that we must not worship "poverty-based socialism."

According to the above analysis, we can reach two conclusions: First, judging the character of a social

system as a whole is a different issue from judging whether reform has been carried out properly and whether reform bears the surname "socialism" or "capitalism." They should not be lumped together. Second, Comrade Deng Xiaoping held that the main criterion for judging whether our reform is being carried out properly is the "three points of whether being conducive" and this is a correct conclusion he drew from adherence to the principle of historical materialism and the principle that "practice is the sole criterion for testing truth," giving expression to his consistent viewpoint that "poverty is not socialism." Obviously, Comrade Deng Xiaoping took the "three points of whether being conducive" as the main criterion for distinguishing the surname "socialism" from the surname "capitalism" according to his summation of our country's positive and negative experience in socialist construction over the past few decades and our country's successful experience of reform and construction. This represents a breakthrough in the socialist political economy theory. In connection with this, from the angle of whether a measure is conducive to the development of productive forces in socialist society, he also answered the three controversial theoretical issues in economic reform, namely: The issue of planning and market; the issue of the character, status, and role of foreign-funded enterprises; and the issue of whether securities and stock markets can be adopted.

It should be particularly pointed out here that Comrade Deng Xiaoping's proposition of taking the "three points of whether being conducive" as the main criterion for judging the surname is the scientific application of the theory of historical materialism about the dialectical relationship between economics and politics. Economics is the foundation, while politics is the concentrated expression of economics. On the other hand, politics is relatively independent and also reacts to economics. Economics and politics are not completely overlapped, and the two sides are relatively independent of each other. Therefore, in practice and in policies, it is possible that the two sides are allowed to keep their relative independence. Certain differences and separation can be maintained between the two sides.

When elaborating the political economic, ideological, and cultural policies of new democracy, Chairman Mao also did the same. He made correct elaborations on the political, economic, ideological, and cultural policies of new democracy. He advocated, however, that in practice, propaganda on communist ideology, study of Marxism-Leninism, and propaganda on the social system, should "be separated from implementation of the action program of new democracy and the new democratic policy for the national culture." In other words, it is necessary to hold high the banner of Marxism-Leninism and socialism in the propaganda and education field, and consistently carry out the economic policy of new democracy and consolidate the united front in carrying out the national cultural policy. This means that, while affirming the linkage and mutually conditional connections between politics, economics, and culture, we

should also affirm their relative independence. Therefore, it is necessary to treat them separately in practice and in policies. In practice, both Comrade Deng Xiaoping and Chairman Mao adopted a materialist and dialectic approach to the relationship between economics and politics. They are both masters of dialectics in the revolutionary practice.

To sum up, that Comrade Deng Xiaoping took the development and emancipation of productive forces as the main content in the nature of socialism, and took the "three points of whether being conducive" as the main criterion for judging whether the surname was "socialism" or "capitalism," gave expression to his consistent thought of adhering to historical materialism and focusing attention on "making the people wealthy and making the country strong." This is also a cornerstone of his theory about building socialism with Chinese characteristics. With this cornerstone, we can draw a clear demarcation line between historical idealism and historical materialism and between genuine socialism and sham socialism, capitalism, or the traditional model of socialism. Thus, we can understand that, in the entire initial stage of socialism, we should take "developing productive forces," "increasing comprehensive national strength," and "enhancing the people's living standards" as the basic starting point and objective of our work in building socialism with Chinese characteristics. This can also help us discern and resist disruptions from "leftism" and rightism, especially the disruptions from "leftism." This "cornerstone" theory is also Comrade Deng Xiaoping's new application and development of Marxism-Leninism-Mao Zedong Thought in practice. We should understand the "main criteria" in theory and this will help us further emancipate our minds. In a word, the socialist superstructure cannot be changed and bold action should be taken to try and make breakthroughs in the economic field of socialism.

'Commentator's Article' Urges Practicality in Work

HK2204093492 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 20 Apr 92 p 1

[Commentator's article: "It Is Necessary To Seek Truth From Facts"]

[Text] Jiangsu has established a "three point" development strategy, and Jilin has proposed breaking away from the "hinterland" concept. This explains the following truth: Proceeding from their realities, various localities can speed up their development by fully utilizing their conditions and displaying their strong points.

Seeking truth from facts is a basic principle of Marxism-Leninism-Mao Zedong Thought and is also the specific application of dialectical materialism to actual work. No two things in the world are completely the same. Work principles should be decided according to one's actual conditions. Other peoples' practice can be used as a reference but should not be copied mechanically. Others' experience can be used for reference, but turning others'

good things into our own requires our own exploration and creation through practice.

For leaders, the most important thing is to thoroughly understand the actual situation in their regions, departments, or units so that they can draw up correct policies. Whether or not a policy is correct should be judged from whether or not that policy conforms with local conditions and whether or not it can fulfill the expected goal through practice. Conscientious investigation is necessary before a policy is made, and conscientious implementation is necessary after that policy is formulated. In the course of implementation, a policy should be constantly improved and developed. A correction should be made promptly when a policy proves faulty. The process of formulating and implementing a policy is a process of gradually matching the subjective with the objective and is also a process of seeking truth from facts.

Matters are always divided into two, and localities have their strong and weak points. A wise leader knows both his strong and weak points through investigation and can use his strong points to offset his weak points so as to win in intense competition.

Comrade Deng Xiaoping always stresses the importance of seeking truth from facts. He said: In the past we fought battles with this, now we also rely on this in construction and reform. Comrade Xiaoping's emphatic remarks are very important and have practical and guiding significance. All comrades, particularly leading comrades, must profoundly understand his remarks, earnestly practice what they advocate, and be practical in what they think and do.

Science & Technology

Cause of 22 Mar Rocket Launch Failure Announced

OW2204134392 Beijing XINHUA Domestic Service
in Chinese 0744 GMT 22 Apr 92

[“Cause of Malfunction That Occurred During Launch of Australian Satellite Ascertained”—XINHUA headline]

[Text] Beijing, 22 April (XINHUA)—A news spokesman for China's Great Wall Industry Corporation recently announced that the cause of the malfunction that occurred during launch the Australian satellite had been determined.

The spokesman said: On 22 March, a malfunction occurred after the Long March-2 carrier rocket was ignited. The rocket was to place a U.S.-built communications satellite into orbit for Australia. An emergency shut-off device in the rocket was activated and caused the launch to be scrubbed. A series of technical and security measures were taken on the launch pad immediately after the malfunction occurred. The U.S. Hughes Aircraft Company has confirmed that the satellite, which was unloaded from the rocket, is in perfectly good

condition and is now stored in the technical plant building at the Xichang Satellite Launch Center.

The spokesman said: After strenuous work, rocket engineers and technicians have determined that booster engines Nos. 1 and 3 were shut down because of a misfire in an electric cartridge igniter in the auxiliary oxidizer's stop valve for the No. 1 and 3 boosters. The electric cartridge igniter's misfire was caused by a very small quantity of aluminum residue remaining on a contact within the distributor of the ignition control circuit. High temperatures produced by the contact's closure caused a deflagration that resulted in the misfire. This was purely an incident that has a very small probability of occurring. The cause of the malfunction was verified by a ground simulation test and confirmed by examinations and appraisals conducted by an examination committee of Chinese rocket experts, which was established to study the malfunction. Tu Shoue [1458 1343 6948], member of the Academic Council of the Chinese Academy of Sciences, academician of the International Spaceflight Academy [name as received], and senior adviser of the Ministry of Aeronautics and Astronautics Industry, acted as chairman of the committee. The other five members were senior experts in the aeronautics and astronautics industry.

The spokesman said: So far, we have worked out a detailed program designed to make improvements and address the problem of the malfunction. Meanwhile, we shall take effective measures to ensure the quality of rocket production. The timing of a second attempt to launch the Australian satellite will have to be decided through consultations between the two sides of the contract.

Talks Held With Intelsat on Launching Satellite

OW2304091492 Beijing XINHUA in English
0903 GMT 23 Apr 92

[Text] Beijing, April 23 (XINHUA)—The International Telecommunication Satellite Organization (Intelsat), the world's largest, is likely to use China's “Long March” rocket in the launching of a telecommunications satellite, a spokesman from the China Great Wall Industry Corporation said here today.

The spokesman, identified as Mr. Li, said that Deputy General Manager Wu Keli and his colleagues have been in the Intelsat headquarters Washington since the 20th of this month, settling the remaining issues concerning the launching service with his Intelsat counterparts.

The spokesman said that his corporation is expected to launch a large telecommunications satellite named “Intelsat 7A” into geosynchronous orbit if the contract is signed as scheduled. But he said the exact time will be decided in accordance with the contracts to be signed by both sides.

Intelsat has 100 member countries and China is one of them. The organization provides telecommunications services for 170 countries and regions.

Anti-AIDS 'Disinfectant' on Display at Fair

HK2304013092 Beijing ZHONGGUO XINWEN SHE
in English 1445 GMT 22 Apr 92

[Text] Guangzhou, April 22 (CNS)—A new type of disinfectant capable of killing the AIDS virus and chlamydia of venereal disease has been displayed for the first time at the Guangzhou trade fair and proved to be popular.

The medicine, named "Aileye" was developed with folk recipes and modern scientific methods and is a patented product produced by a Guangdong company. The medicine is the first of its kind and was developed by China using high-tech practice.

The medicine, tested by the Research Institute of Viruses under the China Preventive Medical Science Academy, showed that it can totally wipe out the AIDS virus within two minutes and kill gonococcus, staphylococcus and chlamydia of venereal disease in a minute without side-effects to the human organism. The product has undergone 350 clinical tests conducted by the Guangdong Provincial People's Hospital and the Zhongshan Medical University and has shown good results.

The sterilizing product, which came out last year, has been on sale on a trial basis at home and abroad. It won the "New Excellent Product Award" in Guangdong Province. The medicine has so far been exported to Southeast Asia, Eastern Europe, Africa, Japan and the United States.

Military

Sources Say Yang Baibing Urges Support for Deng

OW2204114992 Tokyo KYODO in English 1114 GMT
22 Apr 92

[Text] Beijing, April 22 KYODO—A high-ranking official of the Chinese Communist Party's Central Military Commission has appealed to military leaders to support reform and open-door policies initiated by senior leader Deng Xiaoping, Chinese sources said Wednesday.

According to the sources, Gen. Yang Baibing, secretary general of the commission, made the appeal in an address at a meeting of the leaders of the Armed Forces. The sources, however, stopped short of specifying when and where the meeting was held.

The appeal for military support is taken as suggesting that the reformist forces in the Chinese leadership are determined to embark on more drastic reform policies, such as reorganization of state-run enterprises with the backing of the military, the sources said.

They added that conservative senior officials in the government and the Communist Party remain opposed to the reform policies for fear they might affect their vested interests.

In his address, Yang urged the military leaders to positively join in new projects by offering labor and equipment.

The sources quoted Yang as saying that the Armed Forces should support reform and open-door policies.

Yang's appeal seems to be in line with Deng's intentions, as Yang is a younger brother of President Yang Shangkun, a close ally of the Chinese paramount leader.

Generals Pledge Support 'Forever'

HK2304062892 Guangzhou NANFANG RIBAO
in Chinese 22 Apr 92 p 1

[By Xie Xinhua (6200 2450 5478) and Zeng Zhijun (2582 1807 6511): "After Visiting Guangdong, All High-Ranking PLA Generals Pledge To Forever Remain Staunch Backers of Reform, Opening Up"]

[Text] Since late February, in accordance with the Central Military Commission leadership's instruction, the People's Liberation Army [PLA] General Political Department has organized three batches of leading comrades from major units to visit Guangdong's special economic zones [SEZ's] and open zones for observation and study. Through a host of facts they were given and saw for themselves, the high-ranking generals of the three armed services have obtained a better idea of the tremendous achievements and fresh experience in the building of two civilizations in the SEZ's and open zones, deepened their understanding of the party's basic line, and firmed up their determination to convey the reform and opening up and their faith in following the road of socialism with Chinese characteristics.

These observation-study tours of the high-ranking PLA generals in Guangdong's SEZ's and open zones began shortly after Comrade Deng Xiaoping inspected southern China. Accompanied by Guangzhou Military Region leaders, they visited Guangzhou city, Shenzhen city, Zhuhai city, Dongguan city, and Shunde County. Many of the generals did some in-depth thinking in light of their ideological realities during their tours. As a result, they found new perspectives in understanding a series of major issues, such as whether the "SEZ's are surnamed 'socialism' or 'capitalism,'" increased their power to distinguish between right and wrong, and achieved a new leap in thinking.

During the tours, the generals also visited a PLA unit in Guangdong and the Guangzhou Military Region Soldier's Acrobatic Troupe, recipient of the "Model Artists" title conferred by the Central Military Commission. They were delighted to see the gratifying changes in such areas as ideological understanding, spiritual outlook, living conditions, and material facilities in the PLA units stationed in SEZ's. The generals were particularly moved

by the spirit of the people in the SEZ's, expressed as "forgetting not the building of national defense in times of economic prosperity and keeping the soldiers in mind while we are getting rich." While talking with local leaders, the generals said again and again that the PLA will always subject itself to the party's absolute leadership and will forever remain the staunch backers of the reform and opening up.

Navy To Support Reform

*OW2304081992 Beijing XINHUA in English
0813 GMT 23 Apr 92*

[Text] Beijing, April 23 (XINHUA)—The Chinese Navy will continue to support and defend the country's reform and open policy, according to Zhang Lianzhong, vice admiral and commander of the Chinese Navy.

Today is the 43rd anniversary of the founding of the Chinese Navy.

In an interview with XINHUA, the commander said that the Navy will safeguard the sovereignty of the Chinese territorial sea, uphold the country's unity and social stability and create a safe and stable environment for the nation's economic development and opening further to the outside world.

According to Zhang, who has served as the commander for more than four years, the Navy has performed the mission of protecting coastal areas and territorial seas while using its rich technological and manpower resources to service local economic development.

Several dozen military harbors and ports as well as airports of the Navy have been turned over to or shared with localities. Campsites covering 100,000 square meters as well as a number of special railways for military use have been turned to or leased and lent to localities.

To support coastal provinces and municipalities to boost tourism, the Navy has opened a number of historic sites and cultural relics in its bases.

The commander noted that the Chinese Navy has contracted for constructing a large number of key state energy development and transport projects in the open coastal areas and special economic zones.

A survey report shows that the Navy has built over 20 large power projects, 30 harbors and ports and a dozen airports as well as 40 highways and 10 bridges with high quality in Shanghai Municipality and Shandong, Liaoning, Fujian, Hainan, Guangdong and Zhejiang Provinces.

The Navy also helps coastal areas with ocean shipping, undersea construction and survey in the sea water areas.

Special Article Views Army Camouflage Technology

*HK2204144092 Hong Kong MING PAO in Chinese
8 Apr 92 p 9*

[“Special article” by Yen Chun (0917 0193): “People's Liberation Army Has Increased Its Camouflage Capability”]

[Text] According to a mainland military person, the engineering corps camouflage unit's recent new techniques in “deception and hoax,” by employing the latest scientific and technological results, have continuously raised the Army's ability for combat protection and deception and disguise. A camouflaged unit can piece together a true-to-life tank in five minutes, fake an anti-aircraft gun in two hours and Changjiang Bridge in five hours, and create overnight vehicle convoys, guns, and missiles pointing skywards—in short, it can give the impression of numerous army units.

The rapid development of modern reconnaissance technology, such as electromagnetic waves and infrared light, has rendered conventional camouflage methods useless. Employing hi-tech and new materials, scientific research departments of the engineering corps at General Staff Headquarters have developed camouflage, disguise paints, angle reflectors, hoax targets, and fake testing and drilling equipment capable of fooling modern detectors. In recent years, 32 camouflage technology items have received state and military scientific and technological progress awards and state patents.

Engineering Corps academies and institutes have started courses in camouflage, edited and written texts about it, and made it professional training. They have trained a number of college-educated professionals highly skilled in operating various scientific camouflage equipments. All scientific and technological items can now quickly appear as new topics in military training and can be applied to Army engineering projects.

Apart from “displaying fakes,” the unit can also “hide genuine things.” Its camouflage engines can shoot camouflage paint on vehicles and weapon systems, making them look like the ground and blending them into their environment. The camouflage nets covering positions yielded good results: Repeated air reconnaissance failed to pick up any signals on the radar screen.

The latest massive military exercise has proved that the Army's combat protective ability—camouflage technology—has reached advanced levels.

Hainan Governor Addresses Armed Forces Committee

*HK2204140992 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 16 Apr 92*

[Text] The provincial Armed Forces committee held its fourth meeting in the Hainan Provincial Military District on 15 April.

Provincial Governor Liu Jianfeng, Xiao Xuchu, commander of the Hainan Provincial Military District, and

Liu Chengbao and Zhang Deren, deputy commanders of the Hainan Provincial Military District, attended the meeting.

The meeting was presided over by Liu Chengbao and Xiao Xuchu delivered a work report. Liu Jianfeng put forward specific requirements on stepping up militia force building in the Hainan Special Economic Region.

The meeting conscientiously studied the spirit of all relevant documents and unified understanding on stepping up militia and reserve force building under the new circumstances.

In his report, Xiao Xuchu summed up the provincial militia work since last year and laid down tasks for the immediate future. Xiao pointed out: Since last year, in carrying out militia work, Hainan has conscientiously studied and implemented the new militia work regulations and devoted most of its efforts to organizational, political, and military building of militia units; carried out four large-scale and in-depth activities aimed at strengthening the militia's combat effectiveness; and given full scope to the role played by the militia force in building two civilizations in the Hainan Special Economic Region and in defending the South China Sea border.

Xiao went on: In the future, when carrying out provincial militia work, we must concentrate on studying all relevant documents issued by the central authorities; acquire a clear understanding of both the position and role of the work of building a reserve force for our Army under the new circumstances; implement a three-year plan for building a provincial militia reserve force; vigorously step up infrastructural building, a task of far-reaching significance; and we must lay a solid foundation for developing a strong provincial reserve force for a long time to come. To this end, we must focus our efforts on the militia work at the grass-roots level; continually deepen the on-going militia structural reform; strive to promote organizational, political, and military building of militia units; subject the militia work to the overall economic construction; give full play to the backbone and vanguard role of various militia organizations; and enable the militia work to contribute more to the two civilizations building in the Hainan Special Economic Region.

People Display Care for Military Installations

HK2204141192 Beijing RENMIN RIBAO in Chinese
5 Apr 92 p 3

[By Li Quanmao (2621 0356 5399), Li Mingtang (2621 2494 1016) and Luo Tongsong (5012 0681 2646): "Army Personnel, Civilians in North China Actively Protect Military Installations"]

[Text] A military installation somewhere in the great land of north China was still in top condition and ready for battle after severe winters, scorching summers, and rains and storms. This was the result of a strong sense of

national defense and conscientious implementation of the military installation protection law among the north China Army personnel and civilians.

Northern China Army personnel and civilians have a glorious tradition of patriotism and consolidating defense and have always attached high importance to protecting military installations. After promulgation of the "PRC Military Installation Protection Law," leaders of Beijing Military Region and cities, region and provinces like Beijing, Tianjin, Inner Mongolia, Hebei, and Shanxi jointly studied and, factoring in the practical situations in the northern China region, formulated methods for implementing the military installation protection law, printed over 500,000 copies of education material and propaganda outlines "Protect Military Installations in Accordance With Law and Defend the Nation's Security Interests," and dispatched them to troops and localities. Some of them even held competitive quizzes, produced art or literary shows, and shot video films to make sure that the propaganda drive reached everybody; raised the motivation of the broad mass of cadres and people to protect military installations; and formed a good situation of one rank being responsible for another and mutual supervision. Military and government leaders should go to the grass roots, work on the spot, and solve problems in the work of military installation protection. The training ground of a certain troop unit in Inner Mongolia was unclear about its boundary lines for a variety of reasons, creating inconvenience for the people's production and living and for conducting military training. The Inner Mongolia Autonomous Region, Inner Mongolian Military Area and concerned league and banner leaders visited the training ground. They studied and surveyed it very earnestly and clarified the boundaries. The autonomous region met the needs of the troops by giving the troop unit another 90 square km of grassland for the hitherto small training ground. Leaders of Tianjin Municipality, districts, counties and Tianjin Police Garrison made many visits to districts and townships where they propagated the protection law, patiently pursued mass ideological problems and solved them one by one, and perfected the procedures for the use of land.

People with a stronger sense of national defense and the rule of law in their minds, have begun to move actively, vying with one other to become models for protecting national defense projects and military installations. Many of the villages, townships, and neighborhoods with military installations somewhere in Hebei have set up voluntary protection groups, aware that they are protecting the military installations.

Economic & Agricultural

Zou Jiahua Unveils West, Southwest Strategy

OW2204213792 Beijing XINHUA Domestic Service
in Chinese 0659 GMT 22 Apr 92

[By reporters Li Anding (2621 1344 1353) and Xie Shiqu 6200 1709 6726]

[Text] Nanning, 22 April (XINHUA)—An important reform in China's planning system—a regional economic program which can link various regions and help them complement each other in natural resources and geographic advantages—is beginning to take shape.

During his 19-22 April visit to Guangxi, Vice Premier Zou Jiahua—together with leaders from the Guangxi region, Guizhou, Yunnan, Sichuan, Guangdong provinces, Chengdu and Chongqing, as well as officials from 11 ministries and commissions including the State Planning Commission, the State Commission for Restructuring Economy, and the Ministry of Railways—inspected Beihai located in the Beibuwan area in Guangxi and Fangcheng port in Qinzhou. An intention for launching a regional economic development program for southwestern and southern China was initially formed.

During his inspection, Vice Premier Zou Jiahua said: In the course of reform and opening up to the outside world, an inter-provincial regional economy or economic belt has initially been formed, becoming one of the important elements in China's economy structure. In the 1990s, in addition to the development of a national and provincial economy, the issue of how to develop a regional economy has become an important question for the arrangement of productive forces across the country. It also constitutes a concrete step toward carrying out the guiding spirit of the important remarks made by comrade Deng Xiaoping and toward accelerating reform, opening up to the outside world, and economic development. In light of the natural resources in various regions, their economic and technological foundations, economic linkages between regions, and special features of each individual region, we should consider the arrangement of a regional economy on a larger extent. We should also consider a joint development program for various provinces, regions, and cities. In this way we can form an integral programming system consisting of national, regional, and provincial levels.

Zou Jiahua said: Continued efforts will be made to carry out a coastal development strategy for the eastern coastal areas so as to promote an export-oriented economy. For inland areas—including central and western parts of China—it is necessary to formulate plans for different economic regions in the light of strengthening economic linkages between the regions. Beginning this year, relevant departments of the state, with help from some provinces and regions, will study the following programs for regional economic development. These are programs for development: 1) the provinces along the Chang Jiang with Shanghai's Pudong New Development Area as its leading force; 2) the Zhu Jiang delta where, during comrade Deng Xiaoping's inspection of this region, is said to be expected to catch up with the "four dragons" in a period of 20 years; this is an important requirement of a strategic nature; 3) the area bordering the Bo Hai, including Beijing, Tianjin, Hebei, Shandong, and Liaoning; 4) part of the provinces in southwestern and southern China; 5) northwestern China; 6) the central

plains; and 7) northeastern China. In this way, central and western regions will establish their links with other regions in the coastal areas, in the border areas, and in areas along the Chang Jiang, thus making it possible to join inland areas, which are endowed with ample natural resources with coastal areas which are equipped with geographic advantages. Linking these seven economic regions will become a general framework for China's efforts to develop the economy and open to the outside world in the 1990s.

The provinces and regions of southwestern and southern China included in the program cover 1.457 million square km and have a population of 243 million. Yunnan, Guizhou, and Sichuan are some of the most resource-rich areas in China. The region's water energy resources account for 46 percent of the country's total. Verified natural gas, coal, and other mineral resources are relatively rich. But this region is a typical inland area with low development of natural resources, making it difficult to develop a processing industry. However, Hainan and the western part and coastal areas of Guangxi are endowed with marked geographic advantages. In particular, the Beibuwan area, with Beihai—China's southernmost open coastal city—as an example, is an important hub of communications, with southwest China as its background and Southeast Asia as its potential market. Construction of the Nanning-Kunming railway line and a number of deep-water berths in Guangxi will make Beihai the nearest outlet to the sea for the southwestern provinces. During the inspection, relevant persons in the State Council departments, and provincial and regional leaders noted that integral planning for part of southwestern and southern China in deciding the distribution of energy, communications, and telecommunications and of advantageous industries in the regions, as well as formulating a program for regional lateral economic links and cooperation, will enhance their supplementing role and enable the various regions to make use of their strong points in a more effective way.

In his conversations with governors and ministers during his inspection tour, Vice Premier Zou Jiahua stressed on many occasions the need to develop markets and communications for the regional economy. He said that in planning the development of the regional economy, we cannot only consider the production and the scale of development, but must study the establishment of markets. Taking the domestic market, for example, economic development will be greatly restricted if markets are kept within each province and region. For example, in Hainan Province, with a population of 6.8 million, its internal market capacity is limited, but the whole integrated zone has more than 200 million people. If we link the five provinces and one autonomous region together, the market will be expanded, and the potential for economic development will be fully exploited. Considering the international market, these five provinces and one autonomous region are adjacent to various countries of Southeast Asia, which has a population of over four

million people. If the five provinces and one autonomous region are linked together well, they can increase their economic strength and enter the Southeast Asian market to compete. The complicated topography and backward transportation facilities of this zone are the big factors restricting its economic development. First of all, the provinces and autonomous regions should join efforts in the construction of transportation facilities, including railways, roads, ports, and civil aviation. A commodity economy cannot develop without transportation facilities to help commodity circulation.

Zou Jiahua also inspected Guangxi's economy in the company of Zhao Fulin, secretary of the Guangxi Zhuang autonomous regional party committee; Cheng Kejie, chairman of the autonomous region; Wang Shuming, deputy secretary general of the State Council; and Liu Jiang, deputy minister of the State Planning Commission.

Jiangsu 3-Point Development Strategy Highlighted

HK2204093392 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 20 Apr 92 p 1

[By reporter Gong Yongquan (7895 3057 3123): "Jiangsu Province Strives To Speed Up Its Development Rate"]

[Text] Nanjing, 19 Apr (RENMIN RIBAO)—As a comparatively well-developed province, how should Jiangsu make its development a little faster than the country's average? Proceeding from Jiangsu's reality, the provincial party committee and government have proposed the following "three-point" development strategy: Speeding up reform to form a new economic operational mechanism with market regulation as the main factor; expanding the scope of opening up to form an export-oriented economy; and promoting scientific and technological progress to form a new economic pattern with high technology as the leading factor and to build Jiangsu into a province with economic prosperity, high technological development, a better-off life, and a civilized society.

In accordance with the requirement to form a new economic operational mechanism with market regulation as the main factor, it is necessary to speed up the pace of reform, to practice "openness" in operation, prices, employment, and distribution, to end urban-rural and regional separation, and to develop multichannel wholesale commerce. The province will actively and steadily carry out price reform. Relaxation of control over commodity prices will be raised from 70 percent last year to 80 percent this year. In line with the government's idea on fostering markets and allowing markets to guide enterprises, the province will build wholesale and futures markets, cater to the country and the world, form big markets and circulation, and use circulation to promote economic development. In addition, it will also develop technology, labor, financial, real estate, construction, and information markets.

It will form an export-oriented economy as soon as possible. It will expand the scope of opening up in an omnidirectional manner, promote the introduction of foreign capital and the development of foreign trade and foreign economic relations, encourage large and medium-sized enterprises to pool capital or cooperate with foreign manufacturers or businessmen possessing solid economic strength and advanced technology, and build all kinds of enterprises outside the borders. According to the state strategy on developing Shanghai's Pudong area, Jiangsu Province will soon expedite the pace of opening up its economic areas along rivers to coordinate with Pudong's development. For this reason, it will expand the economic managerial rights of Suzhou, Wuxi, and Changzhou, build several development zones near Shanghai, speed up the construction of the Shanghai-Ningbo speedway and Nanjing Airport, and improve the environment for opening up.

It will gradually form a new economic pattern with high technology as the leading factor. Jiangsu Province will make a success of the construction of high-tech industrial development zones in Nanjing and Nantong and the construction of a "torch belt" linking Suzhou, Wuxi, and Changzhou. It will carry out high-tech industrialization, commercialization, and internationalization. It will use high technology to transform its machine-building, textile, and pharmaceutical industries and to create new supporting industries. By the end of the Eighth Five-Year Plan, the contribution of advanced technology to the growth of the gross industrial output value will account for 40 percent and its contribution to the growth of the gross agricultural output value will account for 50 percent. Scientific and technological personnel who make prominent contributions will be handsomely rewarded according to the percentage of newly increased profits resulting from their technological achievements which have been used in production and markets.

Chang Jiang Cities Increase Economic Cooperation

OW2204104392 Beijing XINHUA in English 1031 GMT 22 Apr 92

[Text] Wuhan, April 22 (XINHUA)—Cities and prefectures along the Chang Jiang are now making full use of their own advantages and cooperate with each other to promote their economy.

Incomplete statistics show that 60 cities around Shanghai, Nanjing, Wuhan and Chongqing have introduced more than 4,200 items of various kinds of advanced technology and equipment from the latter four cities just from 1990 to 1991.

These cities also concluded interbank business over 18.21 billion yuan, imported and exported more than 2 billion tons of various kinds commodities and raw materials and the business volume of commodities approached 34.3 billion yuan.

A Hubei government official said that Panzhihua city in Sichuan Province, one of the industrial bases in the

country, has introduced more than 20 advanced technologies from Nanjing and Shanghai in the last two years so as to speed up the renovation of the industrial equipment in the city.

In the meantime, the city also provided some 1 million tons of vanadium dregs and raw materials of the coking industry for deep-processing to Nanjing and Shanghai.

The official said that cities and counties along the Chang Jiang have established for each other tens of thousands of production bases of agricultural products, industrial raw materials processing bases and networks of wholesale and retail commodities in the last couple of years.

According to rough statistics from Wuhan, the cities and counties along the Chang Jiang established more than 800 shops and processing factories in Wuhan since 1988. Wuhan runs some 30 vegetable production bases in these places.

So far an economic coordination organization has been established with the emphasis on Shanghai, Nanjing, Wuhan, Chongqing and 23 other cities along the Chang Jiang. The organization will hold regular conferences and explore the measures and methods of promoting the economic development in the Chang Jiang Valley.

CPPCC Figure Urges Northwest's Development

HK2104083492 Beijing ZHONGGUO XINWEN SHE
in Chinese 1300 GMT 5 Apr 92

[By staff reporter Liu Rongqing (0419 2837 1987): "Hope for a Faster Development in the Great Northwest—Interview With Wang Guangying, Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference"]

[Text] Xi'an, 5 Apr (ZHONGGUO XINWEN SHE)—During the Qing Ming Festival, Shaanxi's Qiao Shan was enjoying a warm spring breeze. The rivers were babbling and the pine trees were green. In high spirits, 70-year-old Wang Guangying, with his wife Ying Yili, arrived here to hold a memorial ceremony for the ancestor of the Chinese nation.

Wang Guangying, Chinese People's Political Consultative Conference [CPPCC] vice chairman and honorary chairman of the Everbright Group Company Limited, was deep in thought about China's social and economic development strategy: To boost the morale of the Chinese nation and catch up with advanced world standards in the economic, scientific, and technological fields, it is a task of top priority to develop the great northwest.

Wang Guangying said: "The northwest is a treasure land full of prospects."

The northwestern region covers 3.1 million square km and accounts for 32 percent of the country's territory. Rich in mineral resources, it has become the main region for the country's industrial development. The 800-li-long Qin Chuan, the Yinchuan plains, the Hexi corridor, the

oases in the Xinjiang desert, and the vast grasslands have provided rich natural resources and products for economic development. Medium and large cities such as Xi'an, Xianyang, Baoji, Yinchuan, Xining, Lanzhou, and Urumqi have become important industrial bases.

Wang Guangying said: "China needs the northwestern region for its economy to move a step higher; it is all the more necessary for Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang to move a step higher. Deng Xiaoping's remarks made during his inspection of south China do not refer to Guangdong or coastal areas only; they also refer to the northwest region and the rest of the country. By economically developed areas spurring on less developed areas we mean that the eastern region should stimulate the western region so that the latter will catch up. I am full of confidence in the development and prosperity of the northwest. I am fully optimistic about it. There is a television series called "Desire." I desire the fast development and prosperity of the northwest."

Wang Guangying pointed out: The development of the western region should not proceed in the same way as the eastern region. Manufacturers and businessmen can invest in this region according to its specific conditions. The most important thing is to change the concept. The concept of commodity economy should also be established in the western region. Investors and recipients should make headway bravely as soon as they size up the opportunities accurately. They should be bold in "taking risks" and making endeavors. In exploiting energy and mineral resources in the northwestern region, the more prosperous localities become, the stronger their economic force will be.

He said: "I have been in Shaanxi for several days. Not many people have talked to me about doing business; they talked about investments and development projects. People in coastal provinces and cities like to talk about business when they meet. They have the same things to think about. For example, if the quality, design, and variety of Shaanxi porcelain are improved, the prices will increase and it can be exported in large numbers. Northwestern people should lose no time in cultivating the concept of a commodity economy. A study of the consumers' psychology will facilitate the introduction of commodity economy."

Wang Guangying added: The geological features of the northwest vary from place to place. In Xi'an, there are ancient walls, terra cotta warriors from Emperor Qin's time, monasteries, and Taipai Shan; in Gansu, there is the Mogao Cave; in Xinjiang, there is the Tianchi Pool; in Qinghai, there are the Qinghai Hu and the Taer Monastery; in Ningxia, there are the tomb of the Western Xia Dynasty's emperor and a mosque. These should be introduced to foreign tourists, who can come for visits lasting several days. Thus tourism will flourish. The loess caves in northern Shaanxi are very clean. These can attract visitors. All these indicate that the northwest is rich in tourism resources and can be opened to the outside world.

Wang Guangying pointed to an inscription written on a wall of the Xuanyuan Monastery by Mr. Sun Yat-sen 80 years ago, which reads: "With a history of 5,000 years, world civilization started here." He told this reporter: Shaanxi was where Emperor Huangdi II lived and grew up and is the cradle of Chinese culture. It was the most economically and culturally developed region during the Han and Tang Dynasties, and it also witnessed the fullest scope of opening up to the world during those dynasties. Although it is backward now, it will flourish again. When representatives of Emperor Huangdi's descendants around the world come to worship their ancestor here, they will cultivate a national coherent force and feel proud. As long as Shaanxi and the rest of the northwestern region follow Deng Xiaoping's principles, they will develop speedily and make remarkable achievements.

Circular Addresses State Firm's Leasing Abuses

OW2204120892 Beijing XINHUA Domestic Service
in Chinese 0444 GMT 21 Apr 92

[Text] Beijing, 21 April (XINHUA)—The Ministry of Commerce recently issued an emergency circular, asking all localities to unflaggingly focus on the later stage of their efforts to regulate and rectify work on the leasing of sales counters.

The circular said: After the Ministry of Commerce issued the "Circular on Regulating and Rectifying the Leasing of Sales Counters" last year, the occurrences of sales-counter leasing by state-run large and medium-sized enterprises engaged in commercial activities and large and medium-sized outlets of supply and marketing cooperatives throughout the nation have been greatly reduced. Many localities also have drawn up specific measures and are unflaggingly implementing relevant work. Currently, contracts signed on counter leases by localities before the issuance of the last circular by the Ministry of Commerce have successively expired, and regulation and rectification work is pending. To ensure effective handling of the later stage of regulation and rectification work on the leasing of sales counters, the circular reiterates:

1. Retail outlets of state-run large and medium-sized enterprises (including the food and beverage service sector and retail outlets in the grain system) and large and medium-sized retail outlets of supply and marketing cooperatives in large and medium-sized cities are not allowed, without exception, to lease their sales counters to individuals engaged in industrial and commercial businesses and private ventures.

2. Contracts to lease sales counters, signed after the issuance of the last "circular" by the Ministry of Commerce, should be terminated immediately. Excuses to prolong leasing and use of varying tactics to lease in a covert way are prohibited. All localities should actively draw up measures to effectively implement regulation and rectification work. Localities that have already completed their regulation and rectification work should reexamine relevant work to prevent inconsistencies.

3. It is necessary to combine regulation and rectification work on the leasing of sales counters in a bid to promote the upgrading of operating mechanisms within enterprises. We should supervise and urge enterprises to further upgrade their operating mechanisms by way of conducting regulation and rectification work on the leasing of sales counters. We should also be market-oriented, strengthen internal operation and management, improve enterprises' adaptability to market demands and their competitive edge, increase economic and social performances, and maintain the good reputation of state-run commercial enterprises and outlets of supply and marketing cooperatives.

4. The Ministry of Commerce will organize cross-examinations among provinces, autonomous regions, and municipalities to help them understand and keep abreast of progress in regulation and rectification work on sales-counter leasing. Later, spot checks in key sectors will be conducted, and results of the examinations will be released to the public.

Stock Markets Predicted To 'Fully Develop' in '92

HK2204100792 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1057 GMT 8 Apr 92

["Special article" by He Xu (0149 2485): "Major Developments are Expected in China's Stock Markets This Year"]

[Text] In 1992, good news keeps pouring in about China's stock markets and Deng Xiaoping's speech, delivered during his southern tour, has given them a further boost. The possibility of opening another stock exchange in northern China is becoming increasingly good and the Central Bank will decide this year whether it will be founded in Beijing, Tianjin, Shenyang, or Dalian.

Noted Chinese economist Li Yining, who is reputed to be the "stock expert", has vigorously proposed opening stock exchanges in such important cities as Haikou, Wuhan, and Tianjin, saying that the implementation of the stock system is an inevitable step in China's enterprise reform.

Meanwhile, some domestic and foreign stock experts have also put forward a number of suggestions to improve Chinese stock markets, which are still at a tentative stage. To sum up, there are four types of suggestions:

- Chinese stock markets should be developed quickly but, initially, the pace should be steady. Stock markets in their initial phase of development in particular, cannot be expanded unrealistically and quick results should not be expected because a stock market should be developed on a sound basis and needs close support from all departments.

- Laws and regulations related to the sound management of a stock market are badly needed. At present, a

"Stock Company Law", "Law for the Protection of Investors", and "Securities Law" are still unavailable in Mainland China. This will inevitably discourage investors from making decisions on investments and will limit the development of stock markets.

—The enterprise accounting system must be in accord with international practice. The accounting system currently used in the mainland is different in a number of areas from that which is practiced internationally. This will certainly affect overseas investors' initiative in purchasing stocks in China. Hence, all enterprises in the mainland that have introduced the stock system should adopt the international accounting system.

—In order to broaden the channels for attracting foreign investment, it is necessary to pay close attention to the internationalization of stock markets and fully capitalize on the advantages offered by Hong Kong as an international capital accumulation center to issue stocks, raise funds, and develop our economy.

It is alleged that China's financial bodies are following the abovementioned suggestions with interest. With the aid of the Asian Development Bank, China's "Securities Law" has been drafted and is being discussed and revised by experts. The drafting of a "Stock Company Law" will also be started soon.

Statistics show that pilot projects of stock market operations, first launched in 1985, have been conducted in Shenzhen and Shanghai for seven years. A total of 35 enterprises have publicly floated stocks with a total value of up to 3.3 billion yuan. Starting from 1991, 15 different kinds of stocks have entered the list in the stock exchanges, and the total stock transaction volume for the year was 4.3 billion yuan.

Beginning 18 February 1992, the Shanghai Stock Exchange tentatively lifted price fluctuation limits and circulation volume control over two stocks, namely, the Yanzhong Industry and the Feile Joint Stock Company. It is hoped that by giving a completely free rein to stock trading prices, market changes can really be reflected in stock prices and the investors' concept of risk can be enhanced. At present, the authorities have basically lifted the daily stock price fluctuation limits, and stock prices in the Shenzhen and Shanghai Stock Exchanges closely reflect their normal value.

According to the authorities, the floating volume of stocks in 1992 will be greater than last year's and over 30 kinds of stocks will be entering the list in the Shenzhen and Shanghai Stock Exchanges. It is alleged that the public's knowledge of stock trading continues to grow. Nearly 20 percent of the population in Shenzhen are engaging in stock trading and new investors in the Shanghai stock market are increasing by 2,000 people per day.

It can be expected that 1992 will be a year when China's stock markets will fully develop.

Reasons for 'Alarming' 1 Trillion Yuan Deposits

HK2204072892 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0926 GMT 21 Apr 92

["Special article" by Shi Chuan (42581557): "Mainland Banking Experts Analyze Situation of 1 Trillion Yuan Deposits in Cities and Rural Areas"]

[Text] Guangzhou, 21 Apr (ZHONGGUO TONGXUN SHE)—According to the latest data and statistics, the bank savings of urban and rural residents have topped around 1 trillion yuan. The figure is indeed alarming. The drastic increase in savings deposits has become a focus of public concern and comment. Some people are worried, some are in favor of it, and others have disapproved of it.

Those who are worried say that the 1 trillion yuan savings deposits are like a tiger locked in a cage. Once freed, they will result in panic purchases, disrupting the mainland market and economy as a whole and throwing them into a predicament.

Those who are in favor of it say that the increase in savings is conducive to economic development and market stability, and that the more savings the better.

Those who have disapproved of it say that the deposits belong to the self-employed businessmen, official speculators, and upstarts engaged in dishonest practices. Very few of those who work honestly to make a living have bank savings.

How should we judge the advantages and disadvantages of the drastic increase in bank savings? What does the story behind the 1 trillion yuan savings indicate? Relevant banking experts believe that there are normal as well as abnormal factors in the extraordinary growth in bank savings, which have increased by 100 billion yuan annually over the past three years. The normal factors include social stability, sustained growth of the national economy, a steady increase in the people's cash incomes, and an growing concept of saving. The abnormal factors include some enterprises and institutions trying by hook or by crook to turn public funds into private savings in order to evade bank settlements and supervision or for the convenience of cash withdrawal, some self-employed businessmen and private enterprises turning their operation capital into savings, the excessive increase in distribution to individuals in recent years, the reckless issuing of bonuses and subsidies by some enterprises, and the increase in individual incomes other than wages.

According to analysis by the State Statistics Bureau, of the savings of urban and rural residents, 59 percent come from savings by ordinary people, 26 percent from self-employed businessmen, while the remaining 15 percent is rather complicated, that is, the transferring of public funds to private accounts.

Experts believe that there are "exaggerated factors" in current savings and that only by eliminating these "exaggerated factors" can the growth in savings be real. Real

growth is a good thing rather than a bad one. It has been reported that without the increase of 190 billion yuan in last year's savings, the 7 percent moderate growth in the gross national product [GNP] and the low retail price hike of 4 percent would have been impossible. The growth in savings has played a positive role in developing production, stabilizing the market and currency, and checking inflation.

Regarding the developing trend of savings in the 1990s, banking experts believe that with the increase in financial, enterprise, and treasury bonds and the efforts made to check unhealthy tendencies, the exaggerated factors in savings will be minimized. As a result, the growth in mainland residents' savings is expected to slow down, embark on a steady track, and play a positive role in the national economy.

Patent Bureau Director on Changes to Law

HK2204003592 Hong Kong CHING-CHI TAO-PAO
in Chinese No 13, 6 Apr 92 p 22

["China Economic News" article: "Director of Patent Bureau Speaks on Changes to Patent Law"]

[Text] Gao Lulin, director of the State Patent Bureau, revealed a few days ago: The relevant departments will make a first, major revision to China's patent law, which has been in place for nearly seven years.

The expected revised patent law will protect intellectual property rights more effectively.

According to his briefing, revisions will be made in the following five ways:

- The patent protection period for an invention will be extended to 20 years (Note: According to the current patent law, the invention protection period is 15 years).
- The patent validity for a method extends to the products directly manufactured using the method. To put it another way, the sale and use of the products directly produced by using the method also constitute infringement of the patent.
- Chemical substances and medicines will be protected as patents.
- In patent authorization, a new stipulation on the right to import will be added, namely, a patent holder has the right to ask the customhouse to ban the import of any products which are the same as his patented products.
- The Patent Law procedures will be revised appropriately. For example, the procedure of objections prior to authorization will be revised into an administrative cancellation after authorization.

Ministry Reports 1st Quarter Revenue, Expenditures

OW2204083292 Beijing XINHUA Domestic Service
in Chinese 0946 GMT 21 Apr 92

[Text] Beijing, 21 April (XINHUA)—While announcing state revenues and expenditures for the first quarter of the year, Finance Ministry spokesman Wang Xingyi said: Since the beginning of this year, our country has maintained a fairly high growth rate in industrial production, sales, and import and export trade. Therefore, the situation concerning state revenues and expenditures is better than in previous years.

Wang Xingyi added: State revenues in the first quarter were 68.199 billion yuan, marking a 12.9 percent increase over the same period of last year. A fairly large rise in industrial production and sales broadened tax revenues—product taxes, along with industrial and commercial taxes, value-added taxes, and sales taxes, increased 18.3 percent when compared with the same quarter last year. Meanwhile, with increased Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign-owned enterprises, the amount of unified industrial and commercial taxes paid by them also increased considerably.

Local revenues registered a 14.9 percent increase over the same period last year, and increases in revenues in 14 areas were higher than the country's average. Revenue increases in Liaoning, Harbin, Hunan, Guangdong, Guangzhou, Shenzhen, and Guizhou were more than 20 percent.

The country's expenditures in the first quarter were 56.845 billion yuan, a 10.1 percent increase over the same period last year. Of the primary expenditures, those used for economic development rose to some extent, but administrative and operation expenses increased by a greater margin. Expenditures for culture, education, science, and public health rose by 16.1 percent when compared with the same period last year.

Wang Xingyi pointed out: The situation in state revenues and expenditures was fairly good during the first quarter, but existing problems cannot be ignored. Increased revenues resulted mainly from a rapid growth in industrial production. Although economic performance picked up, it has yet to improve noticeably. By the end of March, profits from state industrial enterprises covered by the budget increased 18.1 percent over the same period last year, which, however, was lower than the 19.4 percent increase in sales revenues. Losses incurred by industrial enterprises increased 6.4 percent over the same quarter last year. Compared with the beginning of the year, overstocking of products not only failed to decrease but was increasing. All these factors limited the growth of revenues.

Wang Xingyi said: After April, expenditure-increasing measures defined in the budget are to be carried out one by one. Foreign and domestic debt repayments on the principals with interest will be made on time, and

additional funds will be quickly provided. Also, since the time the budget was determined, many departments have requested additional expenditures, putting pressure on the work of balancing the budget. Therefore, it is quite an arduous task to successfully implement this year's budget. All areas and departments should pay closer attention to financial work and support it, and they should extensively carry out the campaign to increase production, practice economy, increase revenues, and reduce expenditures. Finance and tax departments at all levels should strengthen their tax collection management, make vigorous efforts to collect taxes, and strictly control the reduction and remission of taxes. It is necessary to strictly control spending according to the budget and in particular, to defray administrative and operation costs in light of relevant regulations. Also, no new or additional expenses should be defrayed.

MOFERT Warns Against Forgery of Documents

OW2204052992 Beijing XINHUA Domestic Service in Chinese 0924 GMT 21 Apr 92

[Text] Beijing, 21 Apr (XINHUA)—The Ministry of Foreign Economic Relations and Trade (MOFERT) today released the 1992 No. 3 announcement warning people in the society to take serious precaution and guard against activities of forging documents of the ministry.

The announcement says: The number of cases related to forging the ministry's written instructions or comments, licences, and seals have been on the rise recently. The practice of forging documents, certificates, and seals of state organs to engage in fraudulent activities is in violation of the Criminal Law of our country. It has been discovered that some foreign trade units and departments have suffered economic losses for lack of vigilance and unknowingly treated forged documents, licences, and seals as genuine documents.

The announcement says: In order to call the attention of various circles in the society and crack down on those law violators, MOFERT asks foreign economic relations and trade organizations, foreign trade and industrial trade companies, and all units to exert supervision over foreign economic relations and trade to strengthen examination in their operation, strictly follow operating procedures set by MOFERT, and seriously check various written instructions or comments and certificates. Collaboration between illegal elements and staff members of all foreign economic relations and trade organizations, foreign trade and industrial trade companies and units which are entrusted to engage in foreign economic and trade activities should immediately be reported to the MOFERT and be handed over to the judicial departments for investigation of their criminal responsibility. Various foreign economic relations and trade departments should immediately report forged documents, certificates, and seals of the MOFERT and swindling activities of law violators to the ministry and at the same

time directly report the matter to local public security departments for investigation and handling.

Minister Urges Preparing for Summer Crop Threats

OW2304050192 Beijing XINHUA Domestic Service in Chinese 1039 GMT 22 Apr 92

[By reporter Ma Chengguang (7456 2052 1639)]

[Text] Beijing, 22 April (XINHUA)—According to information from the Ministry of Agriculture, China's spring plowing work has reached a climax. The lower and middle reaches of the Chang Jiang have essentially completed the early rice sowing work. Localities in south China have done more than half of their work in rice transplanting. Areas in the north, northwest, and northeast of China have nearly finished sowing their spring wheat. North China has entered the busy spring stage of management.

However, if we are not careful, this year's summer harvest may be lower than that of 1991 as this year's spring plowing and management are suffering from a variety of problems. The minister of agriculture, Liu Zhongyi, therefore has urged localities to take effective measures to reduce damage from such problems and increase production in the last two months before summer harvest.

Drought in north China and flooding in south China have been the major problems encountered during this year's spring plowing and management. Various provinces in north China have found their main work has been fighting against drought, the protection of young plants, and spring plowing work. In contrast, the Chang Jiang Basin and localities in south China have had to emphasize draining and the reduction of waterlogging. The young grain and oil-bearing crops for the summer harvest have grown well generally because the preparatory work was done early and quickly; realistic preparation was made before sowing; and it rained over most wheat areas in early March. However, drought conditions have persisted in parts of Shanxi, Shaanxi, Qinghai, Gansu, and Ningxia and sowing could not be done over more than five million mu of land, while young shoots have not grown out of seeds after being sown in over three million mu of land.

Currently, China is engaged in early rice transplanting from the south to the north. Localities in south China have done more than half of their work on rice transplanting. Rice transplanting has been underway throughout the lower and middle reaches of the Chang Jiang. However, low temperatures and wet weather have led to rampant rotting of young early rice plants in the lower and middle reaches of the Chang Jiang and localities in south China, and the rice transplanting season has been generally put back by between five and 10 days.

We planned to cultivate 90 million mu of cotton in 1992. However, various localities have already cultivated 98 million mu and the total area actually sown may be more than 100 million mu.

On existing production problems in the agricultural sectors, Minister Liu Zhongyi said, as we are at a crucial stage in the course of spring sowing and management, we hope that governments at various levels will realistically strengthen leadership over agricultural work, and that agricultural departments at various levels will make concerted efforts to go deep into the production front-line; strengthen last-stage administration over summer harvest crops; and implement various effective measures to increase production in the field. While fertilizer should be added for the young crops, we should also ensure appropriate forecast, prevention and control of pest and weeds. In addition, we should make full use of water supplies for dry wheat farmland so as to irrigate the largest possible area.

According to weather and pest forecasts, there will be further problems in May and June: Drought will continue in some parts of north China; wind, hail, flood, and waterlogging may hit south China; and wheat rust, scab, and powdery mildew will be rampant. Minister Liu Zhongyi reminded all related agricultural departments to pay close attention to these problems and make full preparation ideologically, materially, and technically to prevent and fight against various natural disasters.

'Rapid' Progress in Afforestation of North Region

OW2204092492 Beijing XINHUA in English
0719 GMT 22 Apr 92

[Text] Yinchuan, April 22 (XINHUA)—Northern China has made rapid progress in afforestation.

Northern China consists of 13 provinces, municipalities and autonomous regions.

Statistics show that they closed 1.4 million hectares of hillsides and sandy areas to livestock grazing and fuel gathering to facilitate afforestation last year.

An official of the Ministry of Forestry attributed the good result to establishing special leading organizations to take charge of the tree-planting work and working out laws and regulations of awarding those who make contributions in afforestation and punishing those who cut trees at random.

According to the official, the application of science and technology is another important way to facilitate tree-planting in these areas.

According to the decision made by the ministry in 1990, one half of the 500,000 hectares of sandy areas is expected to be covered with trees by 2000.

However, 60 percent of the objective was accomplished last year thanks to mobilizing the local people.

East Region

Meng Fulin Urges Implementation of Deng's Talks

OW2304060392 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 22 Apr 92

[From the "Provincial Hookup" program]

[Text] The seven supervisory groups dispatched by the provincial party committee recently continued to inspect the work of 21 provincial departments with respect to their implementation of central policies and the guidelines of the Sixth Session of the Fifth Anhui Provincial CPC Committee. The supervisory groups also inspected some prefectures and cities.

After seriously studying Comrade Deng Xiaoping's important talks and the guidelines of the Sixth Session of the Fifth Anhui Provincial CPC Committee and thoroughly discussing them in light of reality, these departments, prefectures, and cities have shifted the stress of their work to formulating and carrying out concrete measures for accelerating reform and opening to the outside world. Most of them have promptly and seriously adopted effective measures. On 20 April, responsible comrades of the provincial party committee and the provincial government, Meng Fulin, Shao Ming, and Fang Zhaoxiang, were briefed by the supervisory groups.

After listening to the briefings, Meng Fulin pointed out: The study and discussion in the preceding period have indeed emancipated the minds of cadres at all levels, re-educated them in the basic line, and mobilized them further for reform and opening to the outside world. Our cadres have compared our situation with that of others to find out where we are lagging behind, and have thus enhanced their sense of responsibility, urgency, and crisis. Many leading comrades and office cadres have done away with misgivings, enthusiastically studied new circumstances, explored new ideas, and formulated new measures. The current situation is very good. We must seize the opportunity to forge ahead, make a breakthrough in solving major problems, and accelerate our development. Leading comrades at all levels should concentrate their energies on formulating relevant measures and implement them as soon as possible. We must make ourselves fit ideologically and dare to think, act, and blaze new trails. We should be prompt in action, and make the cadres and the people conscientiously carry out the central authorities' policy decisions, as well as the plans of the provincial party committee, as soon as possible. We should make our organization fit the current situation, and appraise cadres by their performance in promoting reform, opening up, and economic development. Such performances should be the decisive factor for cadres' promotions, demotions, appointments, and removals. In work style, we should make efforts to perform actual deeds and seek practical results.

Meng Fulin pointed out: The responsible comrades of the provincial party committee and the provincial government will continue to divide among themselves the work in 10

respects. At the same time, they will step up their inspection and supervision over the work of various localities and departments and achieve good coordination.

He called on all provincial departments to go all out to implement reformative measures, instead of merely formulating the measures. He urged them to go deep into the realities of life, have direct contacts with grass-roots units, explore new experiences, constantly further reform measures, and make them even more effective. He called on supervisory groups to continue to pay attention to the major tasks and problems of various organizations with respect to reform and opening to the outside world, and step up their inspection and supervision to promote reform and opening up.

Shandong Establishes Copyright Society 21 Apr

SK2204100992 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Apr 92

[Text] The Shandong Provincial Copyright Society was established in Jinan on 21 April.

The society is a mass academic organization composed of copyright administrative workers, law workers, copyright theoretical research workers, literary and artistic workers, and scientific and technological workers who are engaged in copyright work and also show concern for copyright work. It also includes propagandists.

The society is under the provincial press and publication bureau. This society will conduct copyright propaganda and theoretical study, exchange copyright administrative work and judicial work experiences, popularize the general copyright knowledge, offer legal copyright consultation, safeguard the writing rights and interests of its members, and provide opinions and suggestions on improving and perfecting the provincial copyright administrative and judicial system.

The society's first board of directors and board of executive directors were elected at the ceremony to mark the society's establishment. Dong Fengji, Standing Committee member of the provincial party committee and director of the propaganda department of the provincial party committee; Lin Ping, vice chairman of the Standing Committee of the provincial People's Congress; Song Fatang, vice governor of the provincial government; and Ding Fangming, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, were appointed as honorary presidents of the society.

Leading comrades, including Lin Ping and Song Fatang, attended the opening ceremony.

Huang Ju Delivers Government Work Report

OW2304045792 Shanghai People's Radio Network
in Mandarin 2300 GMT 21 Apr 92

[Report on the opening of the Fifth Session of the Shanghai Ninth Municipal People's Congress by station reporters (Chen Jiezhong) and (Zhou Baohong); from the "Morning News" program]

[Text] [Begin Ye Gongqi recording] Now I declare the opening of the Fifth Session of the Ninth Municipal People's Congress. Please stand up. Please play the national anthem. [The national anthem of the People's Republic of China is heard; end recording]

[Announcer] The ceremony of the grand opening of the Fifth Session of the Ninth Municipal People's Congress was held at the Central Hall of the Shanghai Exhibition Center at 0900 today. Ye Gongqi, executive chairman of the presidium of the current session, presided over the meeting. The executive chairmen of today's meeting are Wu Bangguo, Ye Gongqi, Zhao Zukang, Chen Tiedi, Sun Guizhang, Liu Jingji, Ye Shuhua, Li Jiahua, Wang Chongji, and Hu Chuanzhi. Leading cadres from the municipal CPC committee, municipal advisory committee, municipal discipline inspection committee, municipal government, municipal CPPCC, municipal higher people's court, municipal people's procuratorate, and troop units stationed in Shanghai attended today's meeting and were seated at the rostrum. Deputies of the National People's Congress, members of the National Committee of the CPPCC who are in Shanghai, and members of the Fifth Session of the Seventh Municipal CPPCC also attended the meeting as observers. Mayor Huang Ju delivered a government work report at the meeting.

[Begin Huang Ju recording] Fellow deputies, now I will present a government work report to this meeting for examination on behalf of the Shanghai Municipal People's Government. I would also ask CPPCC members to advance opinions on the government work report. The year 1991 was a dynamic year for Shanghai in which we achieved new progress in economic construction and in reform and opening. The triumphant progress in nationwide efforts to improve the economic environment and rectify the economic order in 1991 served as a pacesetter and created favorable conditions for making greater strides in reform and opening, which had also provided a favorable general environment for both the development and opening of Pudong and the economic development of Shanghai. [end recording]

[Announcer] Mayor Huang Ju's government work report is in three parts. The first part deals with reviewing work in 1991. The second part touches on seizing the present good opportunities to further deepen reform, expand opening, and accelerate the pace of economic construction. The third part deals with strengthening the building of spiritual civilization, democracy, and the legal system and improving government work to promote reform, opening, and economic construction. When summing up last year's work,

Huang Ju pointed out three encouraging changes in municipal industrial production. Last year saw a rise in economic efficiency at local collective industrial enterprises following two consecutive years of no increases in economic efficiency. Production at state-run medium and large enterprises showed a remarkable rebound. For the first time, the municipality basically achieved the national level of growth in industrial production. The industrial structure, in particular the product mix, improved. The municipality still achieved a good harvest in producing grain, cotton, and edible oil crops, despite natural disasters. There had been a basic balance in market supply and demand and sales enjoyed steady growth. Reforming the economic structure scored new progress and Pudong's development began in earnest.

[Begin Huang Ju recording] The guiding thought for government work in 1992 will be as follows. We will, guided by the party's basic line, seize good opportunities, stress the development of Pudong, and do a good job of running state large- and medium-sized enterprises; accelerate the pace of reform and opening; rely on technological progress to readjust the production structure and raise economic efficiency; accelerate the pace of economic construction and infrastructure construction in urban areas; strengthen the building of socialist spiritual civilization, democracy, and the legal system so as to accelerate the pace of economic construction and social development in Shanghai. We set a 7 percent growth rate for Shanghai's GNP this year, which is higher than last year's actual growth. We plan an over 8 percent growth rate for tertiary industry. This year, we will strive to bring about higher profits and taxes at municipal industrial enterprises than last year and reduce the circulating days for circulating funds over last year. We plan to increase market sales by 10 percent over last year. Fixed asset investments for localities will be between 22 to 24 billion yuan, 8 billion yuan of which will be for the New Pudong Area. [end recording] [Announcer] Huang Ju proposed this year's major tasks in his report. They include vigorously promoting Pudong development, accelerating the pace of opening to the outside world and enhancing economic cooperation with other provinces; carrying out and supporting reforms with the aim of deepening enterprise reform; readjusting structure to raise efficiency; accelerating economic development; making overall arrangements and enhancing coordination in doing a good and concrete job in the areas of transport, housing, and vegetable markets; making efforts to develop science, technology, and education; strengthening building spiritual civilization, democracy, and the legal system; and improving government work.

[Begin Huang Ju recording] Fellow deputies, today Shanghai has entered a critical time for invigoration and development. For many years, people in Shanghai have longed for the emergence of a new Shanghai that is prosperous and full of vitality. The older generation of revolutionaries also fervently expect that Shanghai will play a greater role in the nation's economic development. Far-reaching changes are now taking place over

6,000 square km of land. Historical Shanghai's cityscape was formed by buildings and the Bund, built by many countries' construction workers, and was called the biggest city in East Asia. Tomorrow, a mammoth market place along the Huangpu, a skyscraping "pearl of the Orient" on the east bank, a thoroughfare along the river bank built with 1990's technology, a renovated new Bund, and a more prosperous commercial center will become reality. A blueprint has been drawn now and the foundation is being laid. We will usher in the invigoration of Shanghai. Let us rise with force and spirit, work with one heart and mind, and create the future for Shanghai through our own efforts, under the leadership of the CPC Central Committee, the State Council, and the Municipal CPC Committee. Let us greet the opening of the 14th Party Congress with a rich gift in the form of new achievements in reform and construction. [applause; end recording]

Zhejiang's Li Zemin on Public Relations

OW2204102692 Hangzhou ZHEJIANG RIBAO in Chinese 14 Apr 92 p 3

[“Article by Li Zemin: ‘Reform and Opening Programs Need Public Relations—Written for the 100th Issue of GONGGONG GUANXI BAO (Public Relations)’—originally published in the 10 April edition of GONGGONG GUANXI BAO”]

[Text] GONGGONG GUANXI BAO has published its 100th issue.

The paper is China's first newspaper about public relations. In addition to having successfully propagated knowledge, concepts, and services concerning public relations throughout the country, it has also taken the initiative to serve China's socialist economic construction and the nation's reform and opening programs through promoting public relations. The paper's successes are encouraging and something to be commended.

China's public relations services are a product of the policy of reform and opening up. Today, when the whole party and the whole nation are earnestly studying and implementing Comrade Deng Xiaoping's important expositions on building a socialist society with distinctive Chinese characteristics, we face new historical opportunities, and we must speed up our reform and opening programs, accelerate economic construction, and concentrate our efforts on expediting economic construction. For this purpose, we must continue to emancipate our minds, courageously experiment, boldly assimilate and emulate all of humanity's modern achievements, and assimilate and emulate modern forms and methods of management that reflect the laws of modern production, including those employed in developed capitalist countries. The science of public relations, which is applicable in commodity economic development and large-scale socialized production, is one of these modern achievements and managing methods we should assimilate and emulate.

As a new branch of social sciences, the science of public relations underscores development, communication, coordination, and harmony. In other words, it is a science that uses communication, the mass media, and other modern-day scientific approaches and tactics to create a good image of a social institution. It also effectively coordinates the interrelation of all sectors, and it effectively transmits information so that a harmonious and favorable social environment essential for developing operation and successful business can be created.

In this sense, public relations are needed in our reform and opening programs. To speed reform and opening, we must heighten our public relations awareness and learn how to apply certain public relations tactics and methods.

A coastal province and part of the Changjiang Delta, Zhejiang is Shanghai's next-door neighbor, and the great opening and development of Pudong in the 1990's will certainly create many opportunities for Zhejiang. We must seize these opportunities, give full play to our resources—such as our economic strength, port facilities, and tourism services—and speed the pace of reform and opening up. One of the ideas and measures is to broaden our opening programs in one way or another through all channels. To this end, we will strive to seek the State Council's approval for expanding Zhejiang's open economic zones and building new economic development zones. We must encourage more foreign businessmen, Overseas Chinese, and Taiwan businessmen to invest in Zhejiang and carry out economic and trade cooperation with us. We must encourage more local enterprises to compete on the international market with their products, and we must make Zhejiang better known in the world. These are jobs for promoting Zhejiang's public relations at home and abroad. In order to promote Zhejiang's public relations effectively, we must take advantage of all channels and use all media to promote publicity so that Zhejiang will be better known to the world. As to what we should do to publicize Zhejiang, the most practical issue we have to deal with is the emulation of others' experiences and paying greater attention to public relations methods and tactics.

In recent years, people have become increasingly aware of the role played by public relations in helping enterprises develop their markets. As result of the development of enterprise reform, which focuses on revitalizing large and medium-sized state enterprises and replacing their operating mechanisms, more and more enterprises will gear their operations to market needs. Following the development of our commodity economy, the market will become increasingly competitive and public relations personnel will have great opportunities to demonstrate their abilities.

Public relations are also needed to accelerate our reform and opening programs. To intensify reform and make it more effective, enterprises must do away with the “three irons” [iron rice bowl, ironclad wages, iron armchair (lifelong tenure)], and the pricing, housing, and social

insurance systems must also be restructured. These reforms are closely related to people's vital interests and they are hot topics that the public and media watch with great concern. How can we reduce the resistance to various reform projects so that they proceed more smoothly? How can we help the vast number of workers understand reform so that they will support reform and take an active part in it? On the one hand, we must pay attention to publicity and engender the necessary public opinion. On the other hand, broad communication must be established between upper and lower departments, between leading authorities and those enterprises and institutions under them, and between enterprises and institutions and their staff members so that, after the need for reform has been clearly explained, people will understand, support, and take an active part in it. While these are all part of political and ideological work, they are also public relations assignments.

Reform under socialist conditions is intended to liberate productive forces, and people are the most active elements of the productive forces. People's initiative, once it has been fully aroused, will provide the dynamics for reform and the key to successful reform. The objectives of promoting public relations during the course of reform include coordinating relations, resolving problems, and handling people's grievances in order that they will take an active part in socialist reform and construction with higher morale. Therefore, for the sake of reform, we should promote public relations in a lively manner and by doing what people want to hear and see. In this regard, both public relations personnel and GONGGONG GUANXI BAO will have a lot of things to do.

Central-South Region

Zhu Senlin Calls For Continued Birth Control

HK2304085292 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 23 Apr 92

[Text] A provincial conference on family planning opened in Panyu this morning.

Zhu Senlin, [Guangdong] governor and deputy secretary of the provincial party committee, presided over the meeting and gave a speech.

Zhu Senlin said: Last year our province succeeded in controlling birth control as required by the state plan for the first time since the Sixth Five-Year Plan. However, we should be clearly aware that the population situation in our province remains desperate. A big population base and a high population growth rate still constitute an outstanding problem for Guangdong. While focusing on economic construction, we must never relax for one bit on family planning. He stressed the need to uphold the following three principles:

1. The existing policies for family planning remain unchanged.

2. The population target remains unchanged.

3. The practice by which the most senior leaders of party committees and governments take personal and general charge of family planning remains unchanged.

Guangdong Set To Crack Down on Prostitution

HK2304065792 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 23 Apr 92

[Text] Yesterday evening, the provincial party committee and government jointly held a provincial teleconference to arrange a provincewide, long-term, in-depth, and unified movement to crack down on prostitution, which is designed to minimize the decadent practice in two years and eliminate other repulsive matters in society to create a favorable social environment.

The provincial party committee and government decided to launch two provincewide unified campaigns against six vices this year. The current campaign, which is just starting, will be directed against pornography, drugs, criminal gangs, and gambling; focusing on prostitution. Those found involved in prostitution will invariably be detained for education. Drug addicts will be taken into custody whenever detected. [words indistinct] Those who continue to engage in prostitution and drug abuse after having been prosecuted by public security organs will invariably be sent to reform-through-labor farms.

People in charge of the service industry and relevant employees who cover up and encourage prostitution, act as planted agents, or provide information will be considered as giving shelter to criminals and duly punished. State personnel who join in prostitution will be seriously prosecuted.

Proposal Set for Shenzhen SEZ Sixfold Expansion

HK2204085692 Hong Kong SOUTH CHINA MORNING POST in English 22 Apr 92 p 1

[By Kent Chen in Shenzhen]

[Text] Shenzhen authorities will soon submit a proposal to Beijing to turn Baoan County into part of the Shenzhen Special Economic Zone [SEZ], according to local officials.

With the incorporation of the 1,692.5 square kilometre Baoan, the total area of the SEZ will be expanded sixfold.

At present, the Shenzhen SEZ and Baoan are both under the jurisdiction of Shenzhen Municipality.

Officials in Shenzhen yesterday ruled out another option of making Baoan a satellite of the Shenzhen zone, which would deprive the county of the zone's preferential policies.

Baoan chief Mr Liao Yuntao said a "thorough-going change" was preferred by both the 1.1 million people living in the county and the municipal government.

Shenzhen mayor, Mr Zheng Liangyu said his government was working out detailed arrangements.

In the Shenzhen SEZ, only 70 square kilometres of land is available for development.

With more space, Shenzhen could concentrate on the development of high-tech industry and services while more conventional manufacturing facilities could be moved to Baoan, said Mr Liao.

At the municipal people's congress yesterday, Shenzhen officials also revealed that they would shortly turn the entire Shenzhen SEZ into a free port.

Under the plan, which will also be submitted to the central government soon, goods imported into Shenzhen would be exempted from import duties.

Local officials said patriarch Mr Deng Xiaoping had offered his support to these new plans.

Zhao Fulin on Reform, Quicker Economic Development

HK2204081592 Nanning Guangxi People's Radio Network in Mandarin 2300 GMT 18 Apr 92

[Text] The six-day fourth enlarged plenary session of the sixth regional party committee ended in Nanning yesterday.

For the last six days, members of the regional party committee and leaders at all levels attending the meeting as observers have conscientiously studied the spirit of the plenary session of the CPC Central Committee Political Bureau and of Comrade Deng Xiaoping's important speeches as well as Comrade Zhao Fulin's speech made at the opening ceremony. They held heated discussions about the ways to further emancipate the mind, deepen reform, open wider to the outside world, and seize the favorable opportunity to effect an upswing in this region's economic construction in light of actual conditions, with everyone freely speaking his mind.

Through studying and discussions, evaluating experiences, and finding out where Guangxi is lagging behind, they further emancipated their minds and vowed to seize the favorable opportunity and make earnest efforts to enable Guangxi's economy to scale new heights.

Yesterday morning, the regional party committee called a meeting of conveners of all small groups to listen to reports on discussions in various groups.

On behalf of the regional party committee standing committee, Cheng Kejie, deputy secretary of the regional party committee and chairman of the regional people's government, gave a speech on how to further emancipate the mind, open wider to the outside world, deepen reform, and so on.

When addressing the problem of how to further emancipate the mind, Cheng Kejie stressed the need to properly handle the relationship between stability and development, to smash the ideological trammels caused by the argument over whether certain reform and open

policies are surnamed socialist or capitalist, to uphold the principle of pressing ahead with policies so long as they are beneficial to us in three aspects, to guard against rightism and especially leftism, and to dare take risks to force a way out.

When talking about opening wider to the outside world, Cheng Kejie said: It is necessary to increase the scope of using foreign capital; run well existing open cities, development areas, and investment areas; run well foreign-invested enterprises; and do a good job of opening the border areas to the outside world. Enthusiastic efforts should be made to build up various types of open areas, develop foreign trade and border trade, rationalize various relations, raise work efficiency, and develop lateral economic ties.

Regarding ways to deepen reform, Cheng Kejie called for the establishment of a new input mechanism, reform of the circulation system, injection of new life into the science and technology field, and recruitment of professional people. It is necessary to reform the administrative structure and appropriately delegate powers to lower levels, he added.

Regional party committee Secretary Zhao Fulin gave a speech toward the closing of the meeting. He raised three opinions.

1. By emancipation of the mind, we mainly mean emancipation of the mind on the part of leading cadres of all departments at all levels. We should be clearly aware that our fundamental task is to develop productive forces and should understand and have a good grasp of the criteria for distinguishing between capitalism and socialism. So long as we have grasped the criteria, the problem of emancipating the mind will be solved.

It is necessary to enhance our understanding of the importance of developing commodity economy, reform and opening to the outside world, and science and technology. We must delegate power to lower levels and value economic laws.

2. Reform and opening to the outside world calls for change in concepts and structures, which is bound to encounter resistance and be opposed or even obstructed. We should not be bothered by and argue about this. Efforts should be made to do away with interference and resistance.

3. We must make earnest efforts to learn from Guangdong and do so successfully.

Comrade Zhao Fulin finally said: It is very important to implement the spirit of the current enlarged plenary session of the regional party committee. I hope all localities will both discuss principles and deal with concrete matters relating to work in line with their actual conditions, apply principles to reality, and successfully carry out the spirit of the current session to strive for quicker development of this region's economy.

Liu Jianfeng Attends Ribbon-Cutting Ceremony

HK2304023092 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 19 Apr 92

[Excerpt] The Hainan Nanfang Microelectronics Company was officially established on the morning of 8 April.

Liu Jianfeng, the governor, and Li Daoqi, former state minister of electric industry, officiated at a ribbon-cutting ceremony yesterday.

The Hainan Nanfang Microelectronics Company will be built with investment to be made jointly by the Hainan Provincial Electronics Industry Corporation and the state-run No. 4433 factory under the State Ministry of Machine-Building and Electronics Industry. The planned total investment in the project is \$30 million. [passage omitted]

Guan Guangfu Urges Supporting CPPCC Work

HK2304072792 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 17 Apr 92

[Text] A meeting was held at the (Hongshan) assembly hall, Wuchang, this afternoon to commend hundreds of Chinese People's Political Consultative Conference [CPPCC] committee members at all levels provincewide and advanced elements from all walks of life.

Six hundred people from CPPCC committees at all levels and from all walks of life, as well as 31 advanced units working for the CPPCC, were commended.

Provincial CPPCC Chairman Shen Yinluo presided over the meeting. Vice Chairman Dong Yusen read out the resolution adopted by the Sixth Hubei CPPCC Committee on commending the committee members at all levels and other people from all walks of life and advanced units.

Leading comrades from the provincial party committee, advisory committee, people's congress, government, and provincial CPPCC committee Guan Guangfu, Chen Ming, Huang Zhizhen, Lee Daqiang, Mu Changsheng, Hu Hengshan, Zhang Weicai, et al attended and awarded prizes.

Provincial party committee Secretary Guan Guangfu gave a speech at the meeting. He fully reaffirmed the positive contributions made by all levels of CPPCC committee members and other people from all walks of life to Hubei's reform and development. He hoped all levels of CPPCC committee members and other people in all walks of life would [words indistinct] to presently achieve the following in a bid to attain the objective set by the provincial party committee:

1. Further free the mind to [words indistinct] for reform and opening up.
2. Give play to CPPCC members and people from all walks of life who have a higher cultural level and make great efforts to integrate the economy with science and

technology and to attain the strategic goal of revitalizing Hubei through application of science and technology.

3. Make determined efforts to enliven state-owned large and medium enterprises and revitalize the rural economy.

4. Vigorously promote socialist cultural and ideological progress, help the party and government departments maintain high standards of ethical integrity, and improve the general mood of society to achieve long rule and stability in the country.

Guan Guangfu called on party committees and governments at all levels to enhance their awareness of the need to expand socialist democracy, conscientiously uphold and improve the system of multiparty cooperation and political consultation under CPC leadership; conscientiously accept supervision, forge close ties with democratic parties and people from all walks of life, and create favorable conditions for the CPPCC to participate in the administration and discussion of state affairs; and carry out various activities. He added, it is essential to attach importance to and support the CPPCC's work concerning the united front, strengthen the party's leadership over the united front, give full play to characteristics and advantages of the CPPCC and united front, and urge the whole party to set great store by the work concerning the united front and to support the CPPCC in strengthening the united front.

Northeast Region

Sun Weiben Emphasizes Importance of Trade

SK2204141592 Harbin Heilongjiang People's
Radio Network in Mandarin 0000 GMT 22 Apr 92

[Summary from poor reception] Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, urged that Heihe Prefecture should make positive breakthroughs in four aspects in further opening itself to the outside world.

First, the prefecture should use trade as a companion in developing itself into an inland border trade port with a well-developed tertiary industry as well as a modern agricultural base with the capacity to develop export trade and processing industry and to create foreign exchange.

Second, the prefecture should make breakthroughs in economic cooperation and build itself into a base for exporting commodities, laborers, equipment, and technologies to the far eastern part of the Russian Federation as well as to members participating in the regional economic cooperation of Northeast Asia.

Third, the prefecture should build itself into a key link by conducting cooperation with the south, opening to the north, developing export trade with the west, and conducting import trade with the east focusing on the countries under the CIS.

Fourth, the prefecture should simultaneously conduct reform and opening-up and build itself into an experimental open border area as well as an experimental reform area.

Concerning the matter of how to make Heihe serve the whole country and play an exemplary role in the province in opening to the outside world, Sun Weiben said: The prefecture should first widely open channels to collect funds. Bonds and stocks can be issued to support the development of some key projects. We should mobilize the forces on all fronts and use foreign capital and forces to develop construction projects and encourage both domestic and foreign traders to develop land on a large scale. It is also necessary to provide economic trade channels and to help state-owned large and medium-sized enterprises enter the main battle of economic and trade activities and join international bidding activities.

Northwest Region

Peasant Sentenced to Death for Reckless Driving

HK2304040592 Xian Shaanxi People's Radio
Network in Mandarin 0030 GMT 17 Apr 92

[Text] The Xian intermediate people's court yesterday held a rally to sentence (Yang Zhengshe) to death according to law on the charge of reckless driving and deliberately knocking down a traffic policeman on duty, who died later. The sentence was executed immediately after the pronouncement.

(Yan Zhengshe) was a [words indistinct] peasant from (Yanjia) village, (Liucungu) Township, (Weian) District, Xian. He was driving a small four-wheeled tractor without a license plate around [words indistinct] (Laoguanmiao), (Jingxing) District at about 1900 on 17 April, when he was stopped by traffic policeman (Dang Gailiang). During [words indistinct], (Yan) fled on his tractor and (Dang Gailiang) gave chase on a bike. When (Dang) reached (Xibei) No. 3 Road, (Yan) refused to stop and, instead, turned around and knocked down (Dang Gailiang) and pedestrians (Ma Jingchao), (Li Dehao), and others. After that, (Yan) continued to flee. (Dang Gailiang) was rushed to the hospital and died despite all rescue measures. After hiding out in various places, (Yan) was finally arrested by police.

Urumqi TV Calls For Change in Workstyle

OW2204072892 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 20 Apr 92

[Station commentary "Change Workstyle and Vigorously Implement Policy;" from the "Xinjiang News" program]

[Text] At present, we are favored with an excellent opportunity in reform and opening up. Cadres and the masses of all nationalities in our region are greatly heartened after earnestly studying Comrade Deng Xiaoping's thesis on building socialism with Chinese

characteristics. They have raised their awareness to implement the party's basic line. They are also determined to accelerate the pace of reform and opening up, and to help raise the level of economic development in Xinjiang to a new level during the Eighth Five-Year Plan period. To fulfill this arduous task, all levels of leading cadres should change their work style, vigorously implement policies, genuinely transform the party's principles and policies into action, and turn plans into reality. First, it is necessary for them to work in a down-to-earth manner. Our party has an excellent tradition of integrating theory with practice. This excellent tradition is manifested through a down-to-earth work style. As we are now carrying out the policy of reform and opening up, we should particularly stress this kind of work style. It is necessary to properly and closely integrate the principles and policies set forth by the CPC Central Committee, and the measures and decisions formulated in the autonomous regions, with the reality in localities, units, and departments; to work out plans and methods; to set goals for implementation; to emancipate the mind; to seek truth from facts; and to work creatively. Preaching without action, over dependence on the instructions of superiors, and the inability to present workable methods and measures are by no means a down-to-earth work style. This must be rectified in earnest.

Second, it is necessary to have a correct method. Our party has always promoted the work style of combining general calls with specific guidance and of seeking unity between leadership and the masses. Localities should properly utilize this correct work style to implement the policies and plans formulated by the CPC Central Committee and by the autonomous region. Some comrades are complacent about the general work arrangement; they do not pay attention to and are not good at combining general calls with specific guidance; all they do is talk about and discuss these general calls at meetings or write articles on them. Their substanceless work style only causes harm and brings no benefit to their work. We must be resolved to get rid of this work style. We should carry out in-depth investigation, stress role models, and let role models serve as guidance in work. Only through this can we be able to genuinely implement and promote the policies and work of reform and opening.

Third, we need a hardworking spirit. To realize the grand plan of reform and opening up, everyone should work in a down-to-earth manner and implement all relevant policies. Various levels of leaders must be on full guard against the corrosion of bureaucratism and formalism, and must not waste time and energy on meetings and social gatherings. They should pull themselves out of mountains of paper work and stop attending never-ending meetings. Instead they should devote their energies to reform and opening up; put more efforts in doing concrete things; and try to grasp the emerging situation in order to solve new problems.

Empty talk will harm the state, whereas hard work will help develop the country. If all would rise up with force and spirit and work diligently, Xinjiang will surely

witness a new situation in reform and opening up, and our region will surely experience a major development in economic construction.

Report on Troops Firing on Fujian Fishing Boats

HK2304063292 Beijing ZHONGGUO XINWEN SHE
in Chinese 0949 GMT 22 Apr 92

[By reporter Huang Donghong (7806 2639 4767)]

[Text] Fuzhou, 22 Apr (ZHONGGUO XINWEN SHE)—The people on both sides of the Taiwan Strait were making efforts to step up their contacts when another case of Taiwan troops firing at Fujian fishing boats happened in the strait the other day.

At 0930 on 15 April, seven Tongan County fishermen were working aboard three small fishing boats, Mintongyu 2901, 2906, and 2158, 150 meters north of Caoyu, Jinmen, when they were attacked by a shell fired by troops on Jinmen Island, injuring four fishermen: Qiu Shuiping [6726 3055 1627], Qiu Jikai [6726 1323 7030], Zhang Jinzhao [1728 6855 3564], and Li Huorong [2621 3499 2837]. Two of the fishing boats, Nos. 2906 and 2158, rushed Qiu Shuiping and Qiu Jikai to Jinmen for treatment and No. 2158, with fisherman Qiu Jiantong

[6726 1696 6639], was left on Jinmen. Efforts are now being made to find out the details of this event.

Since the beginning of this year, Taiwan troops on Jinmen and Mazu Islands have frequently fired at Fujian fishermen. On 11 January, a Longhai County fishing boat named Minlongyu 2827 was working on the sea 2,500 meters from Dadan, when it was hit by two shells fired by troops on Dadan, with one person injured. The next day, a small fishing boat from Putian County was fired at 300 meters southwest of Maqiu and one person died. On 7 April, a small fishing boat named Minxiayu 4513 was hit by three shells fired by the troops on Jinmen Island, causing one injury, while it was fishing about 600 meters from Jinmen east of Jiaoyu.

The Taiwan military's frequent firing at Fujian fishermen with no regard for compatriot feelings has caused utter indignation among the Fujian people. Various parties in Fujian strongly condemn this barbarous act and demand the relevant authorities in Taiwan render severe punishment to the troublemakers, make good all the losses, and adopt substantial measures to guarantee against the reoccurrence of similar incidents.

CNA: Ottawa Beijing Ties 'Beginning To Thaw'

*OW2204151892 Taipei CNA in English 1434 GMT
22 Apr 92*

[Text] Taipei, April 22 (CNA)—Relations between Canada and communist China, which went into deep freeze after the Tiananmen Square crackdown on pro-democracy students three years ago, are beginning to thaw.

Canadian International Trade Minister Michael Wilson's current visit to Peking on a five-day official visit signals the gradual lifting of an economic and political sanction imposed on Peking for the massacre.

Wilson is the first heavyweight Canadian politician to visit Peking since the suspension of high-level visits in the summer of 1989.

Agricultural Minister William McKnight paid a low-profile visit to Peking last October, but he does not carry much political weight as Wilson does.

Wilson, father of the much-dreaded GST (goods and services tax), is wearing two hats as both the minister of international trade and minister of industry, science and technology. Before the cabinet reshuffle last year, Wilson served as the powerful minister of finance.

In the past three years, Ottawa has been under pressure from both Canada's business community and Peking to end the sanction, under which Canada has suspended assistance aid and low-interest credits for communist

China. Ottawa, on the other hand, has insisted that there won't be "business as usual" unless Peking improves its dismal human rights records.

Wilson, while in Peking, said business has not yet returned to normal because Canada's human-rights concerns have not yet been addressed.

But, he added: "We are not trying to say 'we are only trying to trade with you if you abide by the same level of human rights as we do.' If we did that, there would be a number of countries we couldn't trade with."

It is this kind of pragmatism that would in fact end Canada's sanctions against Peking. Wilson chose not to criticize his host in public, in striking contrast with some of the outspoken ministers from European countries.

Communist China was Canada's fifth largest export market in 1991, and its seventh's largest trading partner in the world. Most importantly, mainland China is a major buyer of Canadian wheat.

Wilson and members of his delegation received red-carpet treatment by his host, the Ministry of Foreign Economic Relations and Trade which picks the tab of everything except alcohol and international telephone calls. Wilson and his wife, who is a member of the delegation, are housed in the presidential suite of the five-star Sheraton Great Wall Hotel.

Wilson's mission to communist China can be viewed as a turning point of Ottawa-Peking relations, and the demise of the sanction, in fact if not in name.

Hong Kong

Deng Says Boundary Can Be Moved Into Shenzhen

HK2204125692 Hong Kong KAIFANG in Chinese
No 64, 18 Apr 92 pp 14-17

[Article by Mu Fu (3668 1133): "Deng Xiaoping Proposes Changing Border Line Between China and Hong Kong"]

[Text] The Deng whirlwind arose in Shenzhen and Shenzhen once again became the focus of news. Cadres in Shenzhen have now been vested with some discretionary powers, so that they can be more enthusiastic and bolder and can take greater strides. In late March, Li Hao, secretary of the Shenzhen City CPC Committee, said in Beijing that the central authorities and the Guangdong provincial authorities had agreed that Baoan County be merged into the special economic zone [SEZ] and the area of the SEZ be enlarged six times.

Shenzhen SEZ Expands Area by Taking Advantage of This Opportunity

At the same time, Shenzhen is actively preparing the "opening of the primary boundary and the proper management of the secondary boundary" so that the SEZ can be turned into a duty-free zone. It is now necessary to speed up the work of erecting the barbed wire entanglements and passages along the secondary boundary.

This is an important trend. The so-called primary boundary refers to the Sino-British border line between the Shenzhen SEZ and Hong Kong, while the secondary boundary refers to the management line between the SEZ and Baoan County in Guangdong. The establishment of the secondary boundary is aimed at preventing people from other areas of the mainland from freely entering the SEZ. This continued to be a controversial affair during the construction of the SEZ. Although traffic check points were later set up in Nantou, Buji, and Shawan, and some barbed wire entanglements were installed, generally speaking, the secondary boundary exists only in name. People from other parts of the mainland, and a stream of vagrants, keep flowing into the SEZ through various channels. In Guangzhou, people can get a permit for Shenzhen by paying just 20 yuan to the authorities concerned.

At present, the city establishment in Shenzhen is equivalent to deputy provincial level. After Li Hao's plan to expand the SEZ materializes, Shenzhen will be upgraded in the administrative structure. According to gossip in Shenzhen, the aim of the SEZ is to make itself a special zone directly subordinate to the central government, standing at the same level as other provinces. By opening the primary boundary and properly managing the secondary boundary, Shenzhen can be turned into bonded zone. That is, duties for goods transported between Shenzhen and Hong Kong can be exempted or reduced. The SEZ can impose duties when goods are transported across the secondary boundary.

This will deepen the contradictions between Shenzhen and Guangzhou. Some cadres in Guangdong Province said that Shenzhen has tried to take advantage of Deng's trip to the south to "expand its territory" and "free itself from the leadership of the provincial party committee."

Li Hao Relies on Deng's Influence

Li Hao has dared to say something other people are afraid to say. Why? Because he has support from Deng Xiaoping. He quoted Deng Xiaoping, saying that we can do whatever is "conducive" to the three things. According to the SHENZHEN TEQU BAO report entitled "Winds From the East Bring a Full View of Spring," which was written in the style prevailing 20 years ago, after listening to Li Hao's report about the plan to expand the SEZ, Deng Xiaoping said that "I agree with all you said and you should act boldly."

According to well-informed sources on Deng's inspection tour in the south, although the tour had been planned for a long time, Deng still became rather excited when seeing row upon row of high buildings and made many remarks which shocked the people around him. For example, in the "long talk" on the 53d floor of the International Trade Center, he said that "the basic line should be in force for 100 years without change." He had never before mentioned such an important policy concept. Because this is conducive to reform and opening, this remark was included in the central document and treated as an instruction of great importance. KAIFANG editor's note: In fact, the SEZ was also Deng Xiaoping's brainchild on a whim. As for the policy of keeping Hong Kong's current system unchanged for 50 years, it was reported by RENMIN RIBAO in 1984 that when Deng spoke with some Hong Kong visitors about how long the capitalist system in Hong Kong may last, Deng said: "It is too short if it is kept for 15 years, let it be kept for 50 years!" [end editors note]

Perhaps the drafters of the CPC central documents found that some of Deng's remarks were not "refined" enough, and they did not make them public. A typical example was Deng's proposition on "creating several Hong Kongs" in mainland China. Neither the lengthy report in the SHENZHEN TEQU BAO nor Central Document No. 2 mentioned this.

Deng Xiaoping Said Border Can Be Moved Back Five Kilometers

The most startling remark, however, was not even mentioned by Hong Kong's media. When talking about relations between Hong Kong and Shenzhen, Deng Xiaoping said: "If the Hong Kong side finds it difficult to make further development, we can withdraw five kilometers [wo men ke yi tui hou wu gong li 2053 0226 0668 0110 6622 0683 0063 0361 6849]."

Certain sources have revealed that Deng said this when he was talking with Li Hao and other provincial and city leaders on the way from Shenzhen to Shekou by car. Because this matter concerned Sino-British relations and

was highly sensitive, it was only relayed within a very small circle. When Deng said this, they might just have been talking about the issue of "opening the primary boundary." Shenzhen officials had hoped that material exchanges between Shenzhen and Hong Kong would be completely decontrolled without any tariff being imposed and that border management would only be conducted on the people's border-crossing. For example, people may carry duty-free electrical appliances across the primary boundary and import duties would be charged only when the goods are carried across the secondary boundary. In other words, border control on the secondary boundary would be more stringent than on the primary boundary.

Debate on Whether This Action Surrenders Sovereignty

Although the idea of moving the Sino-British border line backward five kilometers was not made public, it caused much gossip among the upper stratum in Beijing. Critics said that Deng really went too far, as he not only encouraged liberalization in the SEZ but also tried to give up as much as five kilometers of state sovereignty! Supporters did not take this seriously, however, because, in five years' time, both sides of the border will be Chinese territory.

When I asked a Shenzhen scholar for his opinion, he gave me a strange explanation: "This is not at all related to anything such as sovereignty. We never admitted that the 'New Territories' are under to British sovereignty. In 1997, we will just recover Hong Kong and Kowloon. You can read the National People's Congress [NPC] resolution."

1990 NPC Resolution Did Not Mention New Territories

On 4 April 1990, when approving the Basic Law for the Hong Kong Special Administrative Region [SAR], the Third Session of the Seventh NPC also adopted a "Decision on the Establishment of the Hong Kong SAR." It includes only two points and the full text is as follows:

First, the Hong Kong SAR Will Be Set Up on 1 July 1997.

Second, the Hong Kong SAR will include Hong Kong Island, Kowloon Peninsula, the islands linked thereto, and the nearby waters. The administrative jurisdiction map of the Hong Kong SAR will be promulgated by the State Council separately.

It is noticeable that the second point does not use the term "New Territories" familiar to the residents of Hong Kong when mentioning the geographic area of the Hong Kong SAR. Why? Does this mean that China will only recover Hong Kong Island and the Kowloon Peninsula south of Boundary Street as we used to think?

Basic Law Does Not Define the Area of Hong Kong

The 1990 NPC decision did not arouse many people's attention at that time, but it is in fact an important law which can be elaborated upon. When we referred to the several bilateral documents, including the Sino-British

Joint Declaration on the Question of Hong Kong (Draft), published in September 1984, and the Basic Law of the Hong Kong SAR of the PRC (initialed text), we found the following particular points:

The regional definition of the "Hong Kong area" is mentioned only once in the Sino-British Joint Declaration, namely, in the first article:

...to recover the Hong Kong area (including Hong Kong Island, Kowloon, and the New Territories, hereinafter referred to as Hong Kong)...

However, in such an important regional law as the Basic Law, the geographical definition of this area is absent! Only a general term, "Hong Kong" is provided. Was the issue overlooked, or was it intentional neglect?

The Basic Law avoids mentioning the New Territories, which appear only once in article 40; furthermore, it is put in quotations as is the Joint Declaration.

Legal Definition of Northern Border of New Territories Is Absent

A reporter doing research on the Basic Law stated that the CPC does not like the name of the "New Territories." That is true. When we referred to historical materials, we found an explanation: The "Kowloon Peninsula" referred to in the aforesaid NPC decision, already includes "the New Territories." Another explanation is that the 99-year lease on the New Territories has already expired and its case is different from the return of Hong Kong and Kowloon, which were ceded. British documents show, however, that the Kowloon Peninsula is limited to south of Boundary Street, and the wording in the Treaty of Peking, which forced the lease of the New Territories on China, reads: "The new territories north of Kowloon's Boundary Street to the Shenzhen River."

The fact that the Basic Law does not even mention the Kowloon Peninsula has given us much food for thought. It was said that personalities from both the Chinese and Hong Kong sides showed great concern for the boundaries of the New Territories in 1984 when the Sino-British Joint Declaration was initialed. Many people believed that, as long as the Chinese side agrees, the boundary of the New Territories can be pushed as far as Shekou and Shenzhen, on the grounds that, prior to the British coming to Hong Kong in 1841, Hong Kong, Kowloon, the New Territories, Shenzhen and Shekou were all under Xinan Town's jurisdiction, namely, the present-day Baoan. On the other hand, PRC law has never defined the Kowloon Peninsula's northern border.

Effects of Opening First Line on Hong Kong

Beyond doubt, today, Shenzhen people cherish the hope of merging the city with the New Territories. Last year, CPC officials talked at length about the plan to merge Hong Kong and Shenzhen and its benefits by the turn of the 21st Century. Many Hong Kong residents who do business with Shenzhen and Shekou do not care too

much about it, for over one-third of Hong Kong's industry has already been moved to Shenzhen and the Zhu Jiang Delta. Should the border be pushed back five kilometers, it would include Shenzhen's urban areas, Shekou and Baoan.

True, we do not have to take it too seriously because Deng Xiaoping's internal talks have not taken shape as a document, but we have to admit their inherent identity with the current tendency in the Shenzhen SEZ development.

What Li Hao stresses today is that, whether or not the SEZ expands to Baoan, the second line is not to be altered. What he worries about is the blind population flow into the existing SEZ from the hinterland (will a third line be set up when Baoan is included in the SEZ? Nobody has mentioned that). Neither has he mentioned what effect the possibility of the "merger" of Hong Kong and Shenzhen will have on the former's stability and prosperity, with the "opening of the first line," and the boundary between Hong Kong and Shenzhen continuously phased out? A strange thing is still happening: The historical complex [li shi qing jie 2980 0670 1906 4814—a national humiliation complex contradicting material interests] which has existed for over a century, remains concealed in the political game regarding Hong Kong's future.

Legislators 'Condemn' U.S.-Hong Kong Policy Act

HK2304053092 Hong Kong TA KUNG PAO in Chinese
23 Apr 92 p 12

[Report: "Well-Known Hong Kong Personalities Condemn McConnell's U.S.-Hong Kong Policy Act"]

[Text] Some famous Hong Kong personalities yesterday condemned U.S. Senator McConnell's "U.S.-Hong Kong Policy Act" and also criticized his remarks in Hong Kong.

Liu Yiu-chu, National People's Congress deputy and Hong Kong affairs adviser, told reporters that, although what McConnell's bill mentions is also of concern to China, the implementation of China's policy does not need foreign parliamentary supervision.

She accused some Americans of acting as "international police" and "international parliamentarians." She said: Some Americans have confused international and domestic affairs and are treating them in the same way. This is wrong. U.S. senators can discuss U.S. domestic affairs, but applying general U.S. principles to international affairs does not benefit the United States, international relations, or world peace.

Viewed from some Americans' attitude toward Hong Kong, we understand that they are particular about Hong Kong and have confidence in its future, therefore, they are trying every possible means to protect their interests, Liu Yiu-chu pointed out. He added that the U.S.-Hong Kong Policy Act will only stir up negative reactions, particularly resentment from some people with nationalistic feelings, thus making our relations tense.

During an interview with reporters yesterday, Hong Kong affairs adviser Chu Yu-lin criticized U.S. Senator McConnell's remarks as a breach of etiquette, and pointed out that it was illogical for McConnell to say that his bill did not interfere in China's internal affairs. This is a trick to make himself famous, he added.

Apart from colonialists, Chu Yu-lin pointed out, no other country has ever formulated special policies on sovereign nations to protect their own interests.

Chu Yu-lin criticized McConnell's assertion that the relevant bill is to protect U.S. interests in Hong Kong. He pointed out: In history, when Britain, the United States, and Germany occupied leased territories in Shanghai, they also asserted that they wanted to protect their countries' interests. For this, they formulated acts on investing in China. Now this U.S. senator has proposed the bill using the same reasoning. As a sovereign country, China will not accept this.

Legislative Councilor Ngai Shiu-kit pointed out that now Hong Kong has the Sino-British Joint Declaration and Basic Law to go by.

On the one hand, the United States is helping Hong Kong through bilateral agreements; but on the other, it is applying U.S. law to restrict Hong Kong, Ngai Shiu-kit said. He added that this will only hamper Hong Kong from taking proper action in handling problems.

In addition, after meeting Hong Kong Governor Sir David Wilson yesterday, McConnell went to the Legislative Council Building to meet with legislative councilors. After the meeting, Legislative Councilor Wong Wang-fat said that it is basically good for the United States to formulate an act to ensure the continuation of economic and trade relations with Hong Kong after 1997; but he was not [as published] worried that this bill would cause a "misunderstanding" in China. Therefore, he hoped that McConnell would explain and clarify things to China regarding this problem.

Wong Wang-fat said that the bill provisions which might cause misunderstanding include: 1) It asks the U.S. Government to submit a report on Hong Kong affairs to the U.S. Congress; and 2) it asks the U.S. Government to supervise the implementation of the Sino-British Joint Declaration.

Article Terms Act 'Absurd'

HK2304034692 Hong Kong TA KUNG PAO in Chinese
23 Apr 92 p 5

[Article by Kuan Cha (7376) 3507: "U.S.-Hong Kong Policy Act Is Absurd"]

[Text] Bringing with him a "U.S.-Hong Kong Policy Act" on his initiative, U.S. Senator McConnell has come to Hong Kong to carry out his activities. He has met with the Hong Kong governor and members of the two councils and has given a lecture to U.S. businessmen in Hong Kong.

Just as McConnell pointed out, there are currently more than 900 U.S. companies in Hong Kong and more than 22,000 Americans residing here. The total U.S. investment in Hong Kong is over \$7 billion; the United States is also the largest market for Hong Kong's exports. Moreover, there are also all kinds of cultural, educational, and science and technological relations between Hong Kong and the United States. Judged from these angles, to maintain Hong Kong's prosperity and stability in the transitional period and after 1997 is indeed a matter concerning U.S. interests. The United States always regards itself as a "big brother" and adopts high-handed policies in handling international affairs. On the issue of returning Hong Kong's sovereignty to China in 1997—a great event attracting attention worldwide—it is unlikely that the United States will take an objective attitude and remain silent without doing anything to show the world. Some years ago, the "4 June" incident took place in Mainland China. Originally, it had nothing to do with the United States, but this country made unwarranted charges as usual and imposed a blockade and sanctions on China. Some congressmen even went to Beijing's Tiananmen Square to make trouble on certain occasions. People can comment and give their opinions, but if some people's comments and opinions are affirmed and established in the form of state law and made known to the public, it will be an entirely different matter. In nature, it concerns equality in state-to-state relations and another country's internal affairs; thus, this matter cannot be treated lightly.

On the issue of Hong Kong's return in 1997, there are two laws which will serve the basis for the transfer. One is the "Sino-British Joint Declaration," and the other is the "Basic Law." The Chinese Government has promised the whole world that it will take these two documents as the only criterion for guiding and handling all affairs in Hong Kong. In the two documents, there are definite and concrete terms, both political and economic, on how to protect the overall interests under the state's sovereignty; how to protect the partial interests of the Hong Kong people; and how to protect the special interests of all foreign enterprises, companies, and people in this big international metropolis. If any foreign country wants to know what its position and interests will be in the Hong Kong Special Administrative Region after 1997, or wants to seek confidence and guarantees, what it should do is conscientiously and carefully study these two documents and find what it wants to know. The joint declaration belongs to China and Britain. McConnell has no right to interpret it. He said the "U.S.-Hong Kong Policy Act" conforms to the joint declaration. This is simply nonsense.

If you are entitled to formulate something, such as a "U.S.-Hong Kong Policy Act"; put forth demands and guarantees; or submit reports just because you have made more investment and have greater interests in Hong Kong or because you are always bigger and more ferocious, then other countries can also follow your example and put forth a "Britain-Hong Kong Policy

Act" or a "Japan-Hong Kong Policy Act." In that case, will the Hong Kong special region not become a "common international colony" in the future? Can this be acceptable to the Chinese Government, the Chinese people, and the Hong Kong people?

Paper Interviews Governor Wilson on Local Issues

Part One

HK2304102392 Hong Kong MING PAO in Chinese
22 Apr 92 p 2

[By staff reporter Feng Cheng-chang (7458 2052 4545):
"Exclusive Interview With Hong Kong Governor David Wilson—Part One, Work of Sino-British Joint Liaison Group"]

[Text] Hong Kong Governor Lord Wilson has warned that, because there is not much time left to handle affairs in Hong Kong during the transitional period, if the Sino-British Joint Liaison Group [JLG] fails to speed up its work, the future Hong Kong Special Administrative Region [SAR] Government will not be as effective as designed in the Sino-British Joint Declaration.

In an exclusive interview with our staff reporter, the governor pointed out: "We should not leave all these things to the last moment before the transfer of sovereignty in 1997. We must gradually solve the problems while we all still have time."

Though the leaders of China and Britain, including the British Prime Minister John Major, Chinese Premier Li Peng, and the foreign ministers of both countries, have repeatedly stressed in recent years the need to speed up JLG work, there has not been any significant breakthrough in its pace during the past two years or so in terms of the quantity of agreements reached.

List of Issues For Discussion Still Long

Following the 4 June incident in 1989, the work of the JLG was at a standstill for some time and, since it resumed in September 1989, only 13 agreements have been reached between China and the United Kingdom through it.

As revealed by an official who wished to remain anonymous, the British Hong Kong Government actually has a rather long and detailed list of issues concerning Hong Kong during the transitional period that have yet to be submitted to the JLG, and many items have yet to be crossed off the list.

Why is it that the top leaders of China and the UK have called for a faster pace in the JLG and yet no breakthrough has been seen so far?

When asked this question, the governor replied: "Some of the problems that the JLG has to handle are very complicated. For example, the future use of Hong Kong's military land is a very complicated issue. It is inevitable that we would need a great deal of time.

Quality of Sino-British Relations Affects the Progress

Nevertheless, the governor also admitted: "We have a large number of problems which must be solved before 1997, but there is not much usable time left. Therefore, we must speed up our work."

On the other hand, an official who knows about the routine operation of the JLG pointed out that the nature of its work is complicated. This is but one of the two major reasons for its slow progress.

He also said that the other determinant is the quality of Sino-British relations. If China and Britain fail to maintain good relations, the political difficulties facing the JLG increase, hence the slowdown.

The governor obliquely acknowledged this viewpoint. He said: "It is of vital importance to the smooth transition of Hong Kong to maintain fine relations with China. I absolutely believe that we must make great efforts to establish a mutually trusting relationship with China."

In an earlier comment, however, he said that the key to improving Sino-British relations lies in stopping the Chinese side from interpreting the decisions made by the British Hong Kong Government according to the "conspiracy theory."

To handle this thorny problem, the governor proposed the following measure: "We must patiently and cautiously explain to the Chinese side why the Hong Kong Government considers a certain decision correct. When the Chinese side questions its validity or misunderstands it, some private opportunities should be offered for the Chinese side to forward such questions, so that the Hong Kong Government can explain."

Wilson also admitted: "Sometimes the Chinese side has some correct opinions which the Hong Kong Government has not considered. When this happens, the Hong Kong Government will have to readjust the relevant decision."

The governor then pointed out three levels at which Hong Kong may work toward closer contacts between China and Hong Kong, to "restore" the Chinese-Hong Kong relations impaired by the 4 June incident.

"The work at the first level can be done through exchanges of visits by public servants on the two sides. At the second level, we should take great pains to explain to the Chinese side and listen to their questions whenever a major decision is made, to find out whether or not there are grounds for revising the original decision. The third level means contacts between the business circles in Hong Kong and the people on the Chinese mainland. This way, an extensive and consolidated liaison network can be set up between China and Hong Kong.

Part Two

*HK2304102492 Hong Kong MING PAO in Chinese
23 Apr 92 p 2*

[By staff reporter Feng Cheng-chang (7458 2052 4545):
"Exclusive Interview With Hong Kong Governor Lord Wilson—Part Two, The Post of Vice Governor"]

[Text] Hong Kong Governor Lord Wilson maintained that creating the post of vice governor would not contribute much to ensuring the continuity of the Hong Kong Government structure before and after 1997.

Instead, he believed it is necessary to ensure the continuity of the Hong Kong Government structure by stabilizing the confidence of the entire contingent of public servants in the future of their careers.

In an exclusive interview with our staff reporter, Lord Wilson talked in general about the localization program for public servants and the creation of the post of vice governor.

At the beginning of this year, Executive Council and Legislative Council member Allen Lee proposed in London the creation of the post of vice governor, to ensure that the Hong Kong Government structure continues smoothly after 1997.

When asked about the feasibility of this proposal, the governor said: "This depends on the specific arrangements to be made by Britain and China for the transfer of Hong Kong's political power. In my opinion, however, the more important issue is that Hong Kong must maintain a contingent of efficient public servants which will straddle 1997."

As stipulated in the Sino-British Joint Declaration, posts at the secretariat level in major departments must be filled by local people.

The governor said: "I hope that the overwhelming majority of high-level positions will have been taken by Chinese well before 1997, so that they can gather sufficient experience. This is why I do not consider it necessary to create a post of vice governor for the sake of continuity."

Information supplied by the Civil Service Branch of the Hong Kong Government shows that, among the 22 high-ranking officials in the government at or above Grade Eight at the level of department head (whose monthly income is above \$107,100), only nine are Chinese, accounting for less than half the total.

The governor expressed his firm belief that the Hong Kong Government still has sufficient time to train enough Chinese officials and to let them take up all the secretariat-level posts when the political power is transferred in 1997, in accordance with the Sino-British Joint Declaration.

**Posts Such As Chief Secretary and Financial Secretary
Can Be Taken by Chinese Before 1997**

He said: "About 60 percent of the office-holding public servants are locals. Nearly half of the positions at the level of secretariat or department heads are also locals. This gives us reason to believe that the Hong Kong Government will be able to accomplish the localization of public servants by 1997 as prescribed in the Sino-British Joint Declaration."

He also pointed out: "What is more important is not just to promote locals but to help the local public servants have full confidence in the future of their careers so that they are willing to carry on serving the public servant system."

Lord Wilson denied claims that there is a confidence problem among public servants in general which may lead to serious drainage.

He illustrated his point with the rate of drainage among executive officers. He disclosed the following figures: "The annual drainage rate is currently 4 percent, lower than before. For example, from 1990 to 1991, the rate reached 6 percent."

But the governor admitted that some government departments, such as the Legal Department and Police Department, need more input of effort to speed up implementation of the localization program because the numbers of Chinese holding high positions in these departments have been quite small.

For a long time, the criticism has been made that some major high positions in the Hong Kong Government, such as Chief Secretary, Financial Secretary, and Secretary for Monetary Affairs, will definitely not be taken up by Chinese before 1997. But the governor firmly denied the existence of such a policy.

He said: "There is not a single position here, be it Chief Secretary, Financial Secretary, or Secretary of Monetary Affairs, that must be filled by an expatriate. All those who take these positions are selected on their talents and abilities. I hope the overwhelming majority of the higher positions will be taken by local Chinese before 1997, though, in the same breath, there must be some room for the promotion of expatriate public servants."

Mainland Confirms Detention of Two Local Vessels

HK2304054092 Hong Kong SOUTH CHINA
MORNING POST in English 23 Apr 92 p 3

[By Luisa Tam]

[Text] Chinese authorities confirmed yesterday that armed mainland security officers had arrested the crew on board two Hong Kong vessels on Tuesday and were holding them for suspected smuggling.

However, the Chinese denied that the arrests were made inside Hong Kong waters.

The mainland authorities quickly filed an official explanation to the Hong Kong Government through the border liaison channel yesterday to clarify the situation.

The statement said that one Chinese security vessel, while executing its duty "in Chinese waters" south of Po Toi, had intercepted a lighter and a tugboat suspected of smuggling.

The crews were being detained by the local authorities in Shekou for investigation.

Hong Kong police are treating the incident as a straightforward smuggling case and the Political Adviser's office is not involved.

The incident began when the Hong Kong Marine Police received a call at about 3 p.m. on Tuesday from a man who claimed his lighter and a tugboat nearby were being abducted by green-uniformed armed men in a high-powered speedboat south of Po Toi, off the southeast tip of Hong Kong Island.

Marine Police launches and a helicopter were dispatched to the scene but when they arrived, the three vessels had already left Hong Kong waters.

Shenzhen border commander Mr Wang Gongjian said yesterday that Chinese officers had been ordered not to enter Hong Kong waters at the end of March following a series of border incidents.

"For the sake of maintaining a good relationship between Shenzhen and Hong Kong, we will not enter Hong Kong waters even if we have to give up pursuing the suspected smugglers," Mr Wang said.

He said officers had been warned that they would be disciplined if they entered Hong Kong waters without authorization.

When asked about Tuesday's incident, Mr Wang said the two coastal guard bases—including the one in Shekou—had denied they were involved.

Police Take Border Control From British Army

OW2304072792 Beijing XINHUA in English
0651 GMT 23 Apr 92

[Text] Hong Kong, April 23 (XINHUA)—Hong Kong police have taken over control along the 35-km border between China's mainland and Hong Kong from the British Army, ending its 30-year control along the border areas.

In a simple ceremony Wednesday, the keys to the sector gate at Lok Ma Chau were handed over by the commander of British forces, Major-General John Foley, to the Commissioner of Police, Li Kwan-ha, after the two had taken salutes from a platoon of gurdhas and police.

Hong Kong police started manning the first section of the border at Shataukok in December 1990 and the second section, Man Kam To, in September last year.

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